27 SEP 1934

ANNUAL REPORT

OF THE

Indian Merchants' Chamber

FOR THE YEAR

1933

ROYAL ASIATIC SOCIETY LIBRARY OF THE BOMBAY BRANCH

Presented to the Annual General Meeting of the Chamber held on 27th January 1934

Published by

J. K. Mehta, M. A., Secretary, Indian Merchants' Chamber, Jehangir Wadia Building, Esplanade Road, Fort, Bombay.

Printed by V. V. Bambardekar, at
The India Printing Works, Bombay 10

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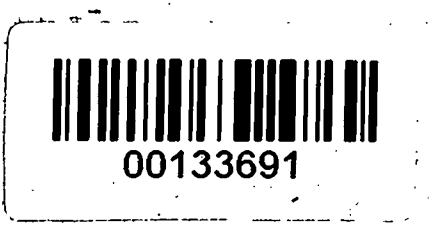
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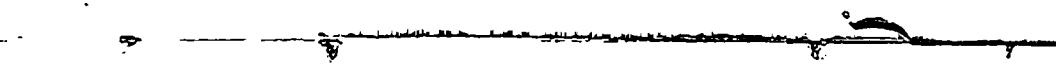
LIST OF MEMBERS

OF

THE INDIAN MERCHANTS' CHAMBER.

1934



Honorary Member:

MAHATMA GANDHI.

LIST OF MEMBERS

of

THE INDIAN MERCHANTS' CHAMBER

No.	Representative	Member	Address
1	Sir Dinshaw Edulji Wacha	Messrs. Morarji Gocouldas & Co...	Sudama House, Wittet Road, Ballard Estate, Fort, Bombay.
2	Mr. Chunilal Devkaran Nanji	,, Chugondas & Co. ..	17, Elphinstone Circle, Fort, Bombay.
3	Sir Munmohundas Ramji ..	Sir Munmohundas Ramji ..	Patel House, Churchgate Street, Fort, Bombay.
4	Mr. Chatrabhuj Morarji ..	Messrs. Morarji Velji & Sons ..	Mulji Jetha Market, Govind Chowk, Bom.
5	,, Jamnadas Devidas ..	,, Jethabhai Govindji & Co..	Mulji Jetha Market, Sir Vithaldas Galli, Bombay
6	,, Jethabhai Kalyanji ..	,, Valji Shamji & Co. ..	Mulji Jetha Market Chowk, Bombay.
7	,, Mulji Laxmidas ..	,, Valji Sunderji & Co. ..	Mulji Jetha Market, Ghadial Galli, Bom.
8	,, Karsandas Thackersey ..	,, Damodar Haridas & Co...	Mulji Jetha Market, Chikhal Galli, Bom.
9	,, Devidas Madhowji Thackersey	,, Madhowji Thackersey & Sons.	Raja Bahadur Motilal Mansion, Bruce Street, Bombay.
10	Mr. Ramdas Madhowji ..	Messrs. Ramdas Madhowji & Co.	Mulji Jetha Market, New Narayan Chowk, Bombay.
11	,, Vithaldas Damodar Govindji.	,, Damodar Govindji Sons & Co. ..	Govind Building, Princess St., Bombay.
12	,, Morarji Hemraj Kanji ..	,, Hemraj Kanji & Co. ..	Mulji Jetha Market, New Govind Chowk, Bombay.
13	,, Hiralal Amritlal Shah ..	,, Hiralal Amritlal & Co. ..	Champsey Bldg., Princess Street., Bom.
14	,, Haridas Purshottam Govindji	,, Purshottam Govindji & Co.	Mulji Jetha Market, Chowk, Bombay.
15	,, Harjivan Valji ..	,, Harjivan Valji & Co. ..	12 Champa Galli, Shaikh Memon St. Bom.
16	,, Chhotalal Kanji ..	,, Chaturbhuj Jivandas & Co.	Kanji Gordhandas Bldg., Lohar Chawl, Bombay.
17	,, Bhugwandas Vussonji ..	,, Kanji Karsan & Co. ..	56, Pedder Road, Bombay
18	,, Lalji Naranji ..	,, Lalji Naranji & Co. ..	Ewart House, Tamarind Lane, Fort, Bom.
19	,, Gordhandas Mathradas..	Mr. Gordhandas Mathradas ..	Mulji Jetha Market, Ghadial Galli, Bom.
20	,, Vaman Shridhar Apte ..	Messrs. Vaman Shridhar Apte & Co.	Mulji Jetha Market, Govind Chowk, Bombay.
21	Hon. Sir Phiroze C. Sethna ..	Hon. Sir Phiroze C. Sethna ..	Canada Building, Hornby Road, Fort, Bombay.
22	Mr. Madhowji Damodar Thackersey.	Messrs. Thackersey Moolji & Co.	16, Apollo Street, Fort, Bombay.
23	,, Chaturbhuj Gordhandas Sunderdas	,, Mulji Jetha & Co. ..	Ewart House, Tamarind Lane, Fort, Bombay.
24	,, Manmohandas Laxmidas	,, Motilal Keshavji & Co. ..	81, Vithalvadi, Kalbadevi Road, Bombay.

No.	Representative.	Member.	Address
25	Mr. Gordhandas Govindji ..	Messrs Morarji Govindji & Co. ..	Mulji Jetha Market, Chikhal Galli, Bombay.
26	,, Mulji Goculdas ..	,, Dharamsey Rattansey ..	Laxmidas Khimji Market, Shaikh Memon Street, Bombay.
27	,, Ramdas Ranchordas ..	,, Ranchordas Thakersey & Co.	454-458, Kalbadevi Road, Bombay.
28	,, Jamnadas Harakhji Sanghvi.	,, Jamnadas Harakhji & Co.	82, Dady Seth Agiari Lane, Bombay.
29	,, Jethmal Narandas ..	,, Jethmal Narandas & Co...	Mulji Jetha Market, Sancha Galli Bombay.
30	,, Mathuradas Haribhai ..	,, Mathuradas Haribhai & Co.	Mulji Jetha Market, Dharamraj Galli, Bombay.
31	,, Laxmidas Keshavji ..	,, Haridas Keshavji & Co. ..	Parvati Building, Girgaum Road, Bombay
32	,, Manilal Revashanker ..	,, Revashanker Jagjivan & Co.	Khara Kuva, Shaikh Memon Street, Bombay.
33	,, Sheriff Dewjee Canjee ..	,, Dewjee Canjee & Co. ..	Chakla Street, Mandvi, Bombay.
34	Sir Purshotamdas Thakurdas.	,, Narandas Rajaram & Co..	Navsari Chambers, Outram Road, Fort, Bombay.
35	Mr. Govindji Ratansi Mulji ..	Mr. Govindji Ratansi Mulji ..	Feltham House, Ballard Estate, Fort, Bombay.
36	,, Dhanjibhoy B. Petit ..	Messrs. Dhanjibhoy B Petit & Co.	Union Bank Bldg., Apollo St., Fort Bombay.
37	,, Govindlal Shivlal ..	,, Raja Bahadur Shivlal Motilal	Hari Building, 58-64, Custom House Road, Fort, Bombay.
38	Mr. S. R. Bomanji ..	Mr. S. R. Bomanji ..	Forbes Street, Fort, Bombay.
39	,, Hansraj Jivandas ..	Messrs. Khimji Vishram & Co. ..	Dana Bunder, Broach Street, Bombay.
40	,, Palanji Dadabhoy Chowna	,, Drewet Chowna & Co. ..	49, Yusuf Bldg., Church Gate Street, Fort, Bombay.
41	,, Kaikobad Cowasji Dinshaw	,, Cowasji Dinshaw & Bros.	121, Medows Street, Fort, Bombay.
42	,, Mathuradas Vissanji ..	Mr. Mathuradas Vissanji ..	9, Wallace Street, Fort, Bombay.
43	,, Govindram Harsomal ..	Messrs. Tarachand Ghanshamdas	Jhaveri Bazar, Shaikh Memon Street, Bombay.
44	,, Karsandas Mulji Jetha ..	Mr. Karsandas Mulji Jetha ..	Ewart House, Tamarind Lane, Fort, Bombay.
45	,, Velji Lukhamsi Nappoo..	The Grain Merchants' Association	262, Musjid Bunder Road, Bombay.
46	,, Pestonji Edulji Dhala ..	The Indian Mercantile Insurance Co. Ltd.	11, Bank Street, Fort, Bombay.
47	,, Sultanbhoy Hajibhoy ..	Messrs. Hajibhoy Lalji & Co. ..	Akbar Building, Hornby Road, Fort, Bombay.
48	,, Narandas Chatrabhuj ..	,, Gordhandas Khetsey ..	Manordas Street, 40, Holi Chakla, Fort, Bombay.
49	Sir Shapurji B. Billimoria ..	,, S. B. Billimoria & Co. ..	113, Esplanade Road, Fort, Bombay.
50	Mr. R. D. Lam ..	,, Tata Sons, Ltd. ..	Bombay House, Bruce St., Fort, Bombay
51	,, Dadabhai J. Registrar ..	The Berar Mfg. Co., Ltd. ..	Lloyd Building, Ballard Estate, Fort, Bombay.
52	,, Hirjibhai Shapurji Patuck	Messrs. H. S. Patuck & Co. ..	Ismailji Building, Bank Street, Fort, Bombay.
53	Sir Kikabhai Premchand ..	,, Premchand Roychand & Sons	Apollo Street, Fort, Bombay.

No.	Representative.	Member.	Address.
54	Mr. Thakordas Panachand ..	Messrs. Maneckchand Panachand & Co.	190, Jhaveri Bazar, Shaikh Memon Street, Bombay.
55	Dr. M. Venkatrao ..	,, N. Powell & Co. ..	Lamington Road, Bombay.
56	Mr. Nahalchund Laloochund	Mr. Nahalchund Laloochund ..	Tamba Kanta, Pydhonie, Bombay.
57	,, Vallabhdas Dayal ..	,, Vallabhdas Dayal ..	Vadgadi, Mandvi, Bombay.
58	,, Bharata K. S. Aiyar ..	Messrs. K. S. Aiyar & Co. ..	65, Apollo Street, Fort, Bombay.
59	,, Hirachand Vanechand Desai ..	,, Hirachand Vanechand Desai & Co.	Kalbadevi Road, Bombay.
60	Prof. S. R. Davar ..	,, Daver's College of Commerce	80-82, Esplanade Road, Fort, Bombay.
61	Mr. Phirozeshaw N. Mehta ..	,, P. N. Mehta & Co. ..	Cook's Building, Hornby Road, Fort, Bombay.
62	,, Nandlal Kilachand ..	,, Kilachand Devchand & Co. Ltd.	Allahabad Bank Building, Apollo Street, Fort, Bombay.
63	,, Sorabji N. Pochkhanavala	The Central Bank of India, Ltd.	Esplanade Road, Fort, Bombay.
64	,, Mohanlal Ambalal Parikh	The Bombay Shroff Association	Shroff Bazar, Shaikh Memon Street, Bombay.
65	,, Jamnadas Mulchand Parekh.	Messrs Goculbhai Dolatram & Co.	Kalbadevi Road, Bombay.
66	Mr. Lavji Meghji ..	Messrs. Curumsey Damji & Sons	Kandivali. (B. B. & C. I. Rly.)
67	,, Liladhar Javerchand ..	,, Mulchand Vussanji & Co...	90, Bazar Gate Street, Fort, Bombay.
68	,, Dwarkadas Tribhovandas	Mr. Dwarkadas Tribhovandas ..	Singani Building, Marwari Bazar, Bombay.
69	,, R. D. Patel ..	Messrs. Patel Bros ..	Patel House, Churchgate St., Fort, Bombay.
70	,, Hormasji D. Jassoobhoy	,, Chandabhoy & Jassoobhoy	43, Apollo Street, Fort, Bombay.
71	,, Ratansi Dharamsi Morarji	Mr. Ratansi Dharamsi Morarji ..	Sudama House, Wittet Road, Ballard Estate, Fort, Bombay.
72	,, Fakirmahomed C.L. Sajun.	Messrs. C. L. Sajun & Co. ..	Carnac Bunder, Bombay.
73	,, Rowjee Ghellabhoy ..	,, Hirji Ghellabhoy & Co. ..	Bhat Bazar, Mandvi, Bombay.
74	,, Vithaldas Liladhar Bhimji	Mr. Vithaldas Liladhar Bhimji ..	Princess Street, Bombay.
75	,, M. V. Subiah ..	The Commission and General Agency. ..	Ali Building, Nagarthpet, Bangalore City.
76	,, Dwarkadas Kalyandas ..	Mr. Dwarkadas Kalyandas. ..	Ridge Road, Malabar Hill, Bombay.
77	,, Lakhmidas Rowjee Tairsee.	Messrs. Lakhmidas & Co. ..	29-31-33, Bohra Bazar Street, Holi Chakla, Bombay.
78	,, Kirtilal Manilal ..	,, Surajmal Lallubhai & Co.	Kalbadevi Road, Bombay.
79	,, Manharlal Vrajdas Merchant.	Mr. Manharlal Vrajdas Merchant	Dady House, Churchgate Street, Fort, Bombay.
80	,, Maneklal A. Mehta ..	Messrs. Nagindas & Maneklal ..	Ravelin Street, Hornby Road, Fort, Bombay.

No.	Representative.	Member.	Address.
81	Mr. Mavji Govindji ..	Messrs. Mavji Govindji & Co.	Apollo Street, Fort, Bombay.
82	,, Sankalchand G. Shah. ..	The Bombay Yarn, Copper and Brass 'Native Merchants' Association.	Tamba Kanta, Pydhonie, Bombay.
83	,, Dalpatram B. Trivedi ..	Messrs. Trivedi & Co.	Navsari Chamber, Outram Road, Fort, Bombay.
84	,, M. D. Gandhi ..	The Punjab National Bank, Ltd.	Amir Building, Elphinstone Circle, Bombay.
85	,, Ramchandra M. Bhatt ..	Mr. Ramchandra M. Bhatt. ..	36-37, Sandhurst Road, Girgaum, Bombay.
86	,, Jamnadas Dayalji Mehta	Messrs. Pitamber & Co. ..	Sudama House, Wittet Road, Ballard Estate, Fort, Bombay.
87	,, Bhailal Dajibhai Amin ..	The Alembic Chemical Works Co., Ltd.	Baroda Camp.
88	,, A. D. Shroff ..	Messrs. Batlivala & Karani ..	Dalal Street, Fort, Bombay.
89	,, Maneklal Manilal Ranchhoddas Pari.	Mr. Maneklal Manilal Ranchhoddas Pari.	Maneck Chawk, Ahmedabad.
90	,, Phiroze J. Billimoria ..	The Indian Cement Co., Ltd. ..	Bombay House, Bruce-Street, Fort, Bombay.
91	,, M. A. J. Noble ..	Mr. M. A. J. Noble ..	Graham Bldg, Parsi Bazar St., Fort, Bombay.
92	,, Jayvant Shantaram Divadkar.	Messrs. Narayan Dhondoba & Co.	Lloyd Building, Ballard Estate, Fort, Bombay.
93	Mr. Shoorji Vallabhdas ..	Messrs. Shoorji Vallabhdas & Co.	Cutch Castle, Sandhurst Road, Bombay.
94	,, Rameshwardas Birla ..	,, Shivnarayan Baldevdas & Co.	Patel Building, Marwari Bazar, Bombay.
95	,, Narsidas Jekisandas Gangadas	Mr. Narsidas Jekisandas Gangadas.	Shahibag, Ahmedabad.
96	,, Jiwandas Doongursee ..	Messrs. Doongursee & Sons. ..	59, Forbes Street, Bombay.
97	,, Ramnivas Ramnarain ..	,, Harnundrai Ramnarain	395, Kalbadevi Road, Bombay.
98	,, Hormasji Bapuji Gazdar	Mr. Hormasji Bapuji Gazdar ..	Beach House, Neapen Sea Road, Malabar Hill, Bombay.
99	,, T. M. Rangachari ..	,, T. M. Rangachari	Poonamallee High Road, Vepery, Madras.
100	,, Walchand Hirachand ..	,, Walchand Hirachand ..	Phoenix Building, Ballard Estate, Bombay.
101	,, Ambalal Sarabhai ..	,, Ambalal Sarabhai ..	"Retreat," Shahibag, Ahmedabad.
102	,, Mansukhlal Atmaram Master.	,, Mansukhlal Atmaram Master	Sudama House, Wittet Road, Ballard Estate, Bombay.
103	,, Damodar Govindji Madhowji.	Messrs. Govindji Madhowji & Co.	16, Apollo Street, Bombay.
104	,, Bhagwandas Gordhandas	Mr. Bhagwandas Gordhandas ..	9, Wallace Street, Fort, Bombay.
105	,, Mathuradas Canji Matani	Messrs. Kanji Dwarkadaswala ..	53, Mint Road, Fort, Bombay.
106	,, Madhavlal Makanji ..	,, Madhavlal & Co., Ltd. ..	Alice Building, Hornby Road, Bombay.
107	,, Nemchand Popatlal Vohora	,, C. K. Vohora & Co.	Saker Bazar Cross Lane, Railway Pura Post, Ahmedabad.

No.	Representative	Member	Address
108	Mr. Nandlal Madhavdas ..	Messrs. Amersey Damodar ..	106, Bhuleswar Road, Bombay.
109	,, Kekhushru Manekji Cooper ..	Messrs. K & J. Cooper ..	Soonama House, Cumballa Hill, Bombay.
110	,, Narandas Keshoordas ..	,, Lalji Godhoo & Co. ..	Samuel Street, Vadgadi, Bombay.
111	,, Manilal Balabhai ..	,, Manilal Balabhai & Co. ..	36, Humam Street, Fort, Bombay.
112	,, Shantidas Askuran ..	Mr. Shantidas Askuran ..	"Shanti Nivas", Nepean Sea Road, Bombay.
113	,, Vyas Laxmishanker Narbadashanker	,, Vyas Laxmishanker Narbadashanker.	Detroj via Viramgaum.
114	,, Ishwardas Lukhmidas ..	,, Ishwardas Lukhmidas ..	"Garden View" Hughes Road, Bombay.
115	,, N. M. Muzumdar ..	,, N. M. Muzumdar ..	C/o Tata Sons, Ltd., Bombay House, Bruce Street, Fort, Bombay.
116	,, Ishwarlal Ganpatram Gajjar	,, Ishwarlal Ganpatram Gajjar	Parekh Building, New Qucen's Road Bombay.
117	,, Vassanji Naranji Bhimji	,, Vassanji Naranji Bhimji ..	Vadgadi, Mandvi, Bombay.
118	,, Rahimtulla M. Chinoy	Messrs. F. M. Chinoy & Co. ..	Band Stand, Chowpatty, Bombay.
119	,, Edulji S. Cooper ..	,, Pallonji Edulji & Sons ..	New Charni Road, Girgaon, Bombay.
120	,, Velji Lukhamsi Nappoo	,, Nappoo Nensee & Co. ..	188, Argyle Road, Dana Bunder, Bombay.
121	Mr. Alimohamad R. Macklai.	Mr. Alimohamad R. Macklai ..	97, Esplanade Road, Fort, Bombay.
122	,, J. H. Bhabha ..	The Tata Hydro Electric Power Supply Co. Ltd.	Bombay House, Bruce Street, Bombay.
123	,, Dwarkadas Jekisondas ..	Mr. Dwarkadas Jekisondas ..	Dwarkadas Mansion, Sandhurst Road, Bombay.
124	,, Hansraj Haribhai ..	Messrs. Hansraj & Co. ..	20, Elphinstone Circle, Fort, Bombay.
125	,, Vallabhdas Runchordas	,, Vallabhdas Runchordas & Co.	Mahim, Bombay, 16.
126	,, Kapilram H. Vakil ..	Mr. Kapilram H. Vakil ..	Navsari Building, Hornby Road, Bombay
127	,, Baldevdas Dalshukhram Dave.	Messrs. Somnath Rupjidas Patel	35, 3rd Bhoiwada, Bhuleshwar, P. O. Box 2080, Bombay.
128	,, Dawood Haji Nassur ..	,, Nassur Haji Mavji & Co. ..	Nassur Building, Mahomadalli Road Bombay.
129	,, Amratlal Amerchand ..	Messrs. Amerchand Madhowji & Co.	36, Kazi Sayed Street, Mandvi, Bombay.
130	,, Framji Dorabji Panday	,, Pestonji & Co. ..	York Building, Hornby Road, Bombay.
131	,, Laxmidas G. Tejpal ..	Mr. Laxmidas G. Tejpal ..	Vile-Parle (B. B. & C. I. Rly.), Bombay
132	,, Laxmidas Premji Goculdas.	Messrs. M. P. Goculdas & Co. ..	Yusuf Building, Churgate St. Fort, Bombay.
133	,, Behram N. Karanjia ..	Mr. Behram N. Karanjia. ..	238-240, Musjid Bunder Road, Bombay.
134	,, Madhavdas Goculdas Pasta.	,, Madhavdas Goculdas Pasta ..	11, Bastion Road, Fort, Bombay.
135	,, Jamnadas Morarji ..	Messrs. Jamnadas Morarji & Sons.	Share Bazar, 8-10, Dalal St.. Fort, Bombay.
136	,, Sarabhai Prataprai ..	Mr. Sarabhai Prataprai ..	"Madhuli", Grant Road, Bombay.

No.	Representative.	Member.	Address.
137	Mr. Balkishandas Ramkishandas.	Mr. Balkishandas Ramkishandas	207-209, Kalbadevi Road, Bombay.
138	„ Gordhandas Parshotamdas	Messrs. Narrondas Manordass & Co.	Shaikh Memon Street, Bombay.
139	„ W. Millard. ..	The New India Assurance Co. Ltd.	Central Bank Building Esplanade Road, Bombay.
140	„ Anandji Kanji ..	Messrs. Kanji Cursondas & Co. ..	183-185, Hornby Road, Bombay.
141	„ Jamnadas Vassanjee ..	The Bombay Swadeshi Co-operative Stores, Co. Ltd.	Cruikshank Road, Fort, Bombay
142	„ Maganbhai P. Amin. ..	Messrs. Maganbhai Amin & Co. ..	32, Apollo Street, Fort, Bombay.
143	„ Dhirajlal Maganlal ..	„ Purshotam Pranvallubh & Co.	Dalal St., Share Bazar, Bombay.
144	„ Aboobaker Abdulrehman	„ Aboobaker Abdulrehman & Co.	14, Custom House Road, Fort, Bombay.
145	„ Tulsidas Karsandas ..	Messrs. Parmanand Karsandas Hargovan.	Mulji Jetha Market, Chowk, Bombay.
146	„ S. D. Shethia ..	Messrs. Shivji Dharamsey Shethia & Co.	Graham Building, Parsee Bazar, St. Fort, Bombay.
147	„ Jamnadas Ramdas ..	„ Tulsidas Ramdas	18-22, Marwari Bazar, Bombay.
148	„ Pragji Dayal Hariani ..	Mr. Pragji Dayal Hariani ..	112, D'Souza Street, Mandvi, Bombay.
149	„ Jivanlal Chimanlal Setalvad	Messrs. J. C. Setalvad & Co. ..	Jehangir Wadia Building, Esplanade Road, Bombay.
150	Mr. Narandas Bhavanji ..	Messrs. Narandas Bhavanji & Co.	Gadhsisa (Cutch)
151	„ Rattansey Hirji ..	„ Hirji Govinji & Co. ..	15, Baroda St., Dana Bunder, Bombay.
152	„ Mohanlal Hemchand Jhaveri	„ Chimanlal Mohanlal & Co.	Patel Building, Javeri Bazar, Bombay.
153	„ Balabhai Jamnadas ..	The Gujarat Oil Mill & Mfg. Co. Ltd.	Asarva, Post Railwaypura, Ahmedabad
154	„ Ratan C. Gazdar ..	Messrs. Bomanji C. Gazdar & Co.	16, Apollo Street, Fort, Bombay.
155	„ Maneklal Ujamshi ..	Mr. Maneklal Ujamshi ..	70, Apollo Street, Fort, Bombay.
156	„ Hooseinbhoy Hassum ..	„ Hooseinbhoy Hassum ..	168, Samuel Street, Bombay.
157	„ B. K. Setalvad ..	Messrs. M. Kanji & Co. ..	Cawasji Patel Street, Fort, Bombay.
158	„ Shantikumar N. Morarjee	The Sholapoor Spg. & Wg. Co. Ltd.	Sudama House, Wittet Road, Ballard Estate, Bombay.
159	„ Lakhmidas G. Dossa ..	Messrs. Goculdas Dossa & Co. ..	22, Apollo Street, Fort, Bombay.
160	„ Darasha Hormasji ..	„ Morarji & Hormasji ..	Shaikh Memon Street, 19, Champa Galli, Bombay.
161	„ Dorab Bomanji Kapadia	Mr. Dorab Bomanji Kapadia ..	C/o Mr. N. H. Katrak, Hirji Mansion, Gowalia Tank Road, Bombay.
162	„ Motiram Waghji ..	Mr. Motiram Waghji ..	112, New Chinch Bunder, Mandvi, Bombay.
163	„ Chunilal Baldevdas ..	„ Chunilal Baldevdas ..	C/o Gordhandas Mulchand, 2nd Bhoiwada, Bhuleshwar, Bombay.

No.	Representative.	Member.	Address.
164	Mr. Ratanchand Hirachand	The Tata Construction Co. Ltd.,	Phoenix Building, Ballard Estate, Bombay
165	,, H. H. Belgaumwalla ..	Mr. H. H. Belgaumwalla ..	Hubli.
166	,, Nowroji H. Belgaumwalla.	,, Nowroji H. Belgaumwalla ..	C/o Langley & Co., Petit Bldg., Hornby Road, Bombay.
167	Prof. Khushal T. Shah ..	Prof. Khushal T. Shah ..	Madhav Nivas, 8, Laburnum Road, Gamdevi, Bombay.
168	Mr. Nensey Tejpal ..	Mr. Nensey Tejpal ..	Nana Colaba, Thomas Street, Bombay.
169	,, Behram N. Karanjia ..	The Silk Merchants' Association	Shri Krishna Nivas, Kalbadevi Road, Bombay.
170	,, S. J. Pandya ..	The Scindia Steam Navigation Co. Ltd.	Sudama House, Wittet Road, Ballard Estate, Fort, Bombay.
171	Mr. Hooseinbhoy A. Lalljee	Messrs. Abdullabhoy Lalljee &Co.	Standard Bldg., Hornby Road, Bombay.
172	Sir M. Visvesvaraya ..	Sir M. Visvesvaraya ..	Uplands, High Ground, Bangalore.
173	Mr. M. G. Mehta ..	Messrs. Bakubhai Ambalal & Co.	Mohamed Building, 27, Bastion Road, Fort, Bombay.
174	,, A. M. Lala ..	,, Nanavati Vevaina & Co.	Sudama House, Wittet Road, Ballard Estate, Bombay.
175	,, B. J. Modi. ..	The Jupitar General Insurance Co. Ltd.	Ewart House, Tamarind Lane, Fort, Bombay.
176	,, B. M. Bhargava ..	The Union Bank of India, Ltd. ..	Apollo Street, Fort, Bombay.
177	Mr. Gulabchand Naginchand	The Pearl Merchants and Jewellers' Association.	-25-39, Mumbadevi Road, Bombay.
178	,, R. N. Bapa sola ..	Mr. R. N. Bapasola ..	Forbes Street, Fort, Bombay.
179	,, Manmohandas Madhavdas Amersey	Messrs. Amersey & Sons. ..	Sudama House, Wittet Road, Ballard Estate, Bombay.
180	,, Lalji Rowji Khant ..	,, Shoorji Vallabhdas Colour Co.	Samuel Street, Bombay.
181	,, Ratansey Karsandas ..	,, Karsandas Ranchhoddas	60, Bazar Gate Street, Fort, Bombay.
182	,, Jehangir P. Katgara ..	Messrs. Jeena & Co.	Gresham Building, Esplanade Road, Fort, Bombay.
183	,, Dhruva Sumanas ..	Mr. Dhruva Sumanas ..	Murzbanabad Road, Andheri.
184	,, Nensey Narandas Topan.	Messrs. Narandas Topan ..	Tamba Kanta, Pydhonie, Bombay.
185	,, Morarji Mulraj Khatau	The Khatau Makanji Spg. & Wg. Co. Ltd.	Laxmi Building, 42, Ballard Road, Bombay.
186	,, Khursetji Limji ..	The Bombay Cycle and Motor Agency, Ltd.	16, New Queen's Road, Bombay.
187	,, Nassurvanji S. Guzdar	Messrs. Nassurvanji S. Guzdar & Co.	Canada Building, Home Street, Fort, Bombay.
188	,, Gordhandas Goculdas Morarji.	Mr. Gordhandas Goculdas Morarji	Harkness Road, Walkeshwar, Bombay.
189	,, B. Das ..	Mr. B. Das ..	P. O. Chandni Chowk, Cuttack.
190	,, Manilal Jugaldas ..	Messrs. Chunilal Harilal & Co. ..	4, Green Street, Fort, Bombay.
191	,, Chaturbhuj Khiasee	,, Chaturbhuj Khiasee & Co.	81-83, Chinch Bunder Road, Bombay.

No.	Representative.	Member.	Address.
192	Mr. Vishvanath P. Vaidya ..	Mr. Vishvanath P. Vaidya ..	Fort Chamber, 6-10, Dean Lane, Fort, Bombay.
193	„ H. M. Chowna ..	Messrs. H. M. Chowna & Co. ..	73, Apollo Street, Fort, Bombay.
194	„ S. D. Saklatvala ..	„ Tata Mills Ltd. ..	Bombay House, Bruce Street, Fort, Bombay.
195	Sir Nowroji B. Saklatvala ..	The Svadeshi Mills Co., Ltd. ..	Bombay House, Bruce Street, Fort, Bombay.
196	Mr. Mafatlal Gagalbhai ..	The Standard Mills, Co., Ltd. ..	29, Rustom Building, Churchgate St., Bombay.
197	„ Chamanlal Girdhardas Parekh ..	The Industrial Bank of Western India, Ltd.	Mirzapur Road, Ahmedabad.
198	„ Dawood Habib ..	Messrs. Khoja Mithabhai Nathoo	Hanuman Building, Tamba Kanta, Bombay.
199	„ H. P. Mody ..	Mr. H. P. Mody ..	Cumballa Hill, Bombay.
200	„ Shantikumar Narottam Morarjee.	„ Shantikumar Narottam Morarjee.	Juhu, Via Santa Cruz.
201	„ C. B. Nanavati ..	The Eastern Bunkerers Ltd. ..	Sudama House, Wittet Road, Ballard Estate, Fort, Bombay.
202	„ R. M. Marshall ..	Messrs. R. M. Marshall & Co. ..	Edward Building, Lamington Road, Bombay.
203	„ Shiavax C. Cumbata ..	Messrs. Shiavax C. Cumbata & Co. Ltd.	Cook's Building, Hornby Road, Fort, Bombay.
204	Sir Currimbhoy Ebrahim Bart.	Sir Currimbhoy Ebrahim Bart. ..	Jiji House, Ravelin St., Fort, Bombay.
205	Mr. Curmali Ibrahim ..	Messrs. Curmali Ibrahim & Co. ..	165,167, Khoja Mohalla, Mandvi, Bombay.
206	„ Phirojshaw D. Patel ..	Mr. Phirojshaw D. Patel ..	Mulji Jetha Market, Govind Chowk, Bombay.
207	„ Chunilal B. Mehta ..	The Bombay Bullion Exchange, Ltd.	171, Shroff Bazar, Bombay.
208	The Hon. Sirdar Sir Suleman Cassum Haji Mitha.	The Hon. Sirdar Sir Suleman Cassum Haji Mitha.	27, Kolsa Mohalla, Pydhoni, Bombay.
209	Mr. Mafatlal Gagalbhai ..	Mr. Mafatlal Gagalbhai ..	Rustom Building, Churchgate St., Bombay.
210	„ Jugatram S. Vaidya ..	The Zandu Pharmaceutical Works Ltd.	Elphinstone Road, Bombay.
211	„ M. C. Ghia ..	Messrs. M. C. Ghia & Co. ..	24, Elphinstone Circle, Fort, Bombay.
212	Hon. Raja Sir S. R. M. Annamalai Chetty. ..	Hon. Raja Sir S. R. M. Annamalai Chetty.	"Natana Vilas," 38, P. C. Road, Vepery, Madras.
213	Mr. Nagindas G. Shah	Messrs. Sankalchand G. Shah & Co.	Hanuman Building, Tamba Kanta Bombay.
214	„ Meyer Nissim ..	Mr. Meyer Nissim ..	Mankwa Building, Outram Road, Fort, Bombay.
215	„ D. D. Writer ..	Dr. D. Writer & Co. ..	Bhavanishanker Road, Dadar, Bombay.
216	„ Popatlal Girdharlal ..	Messrs. Popatlal Girdharlal & Co.	65, Apollo Street, Fort, Bombay.
217	„ Keshavprasad C. Desai.	The Industrial & Prudential Assurance Co. Ltd.	Jehangir Wadia Building, Esplanade Road Bombay.
218	„ R. E. Mody ..	Messrs. R. E. Mody & Co. ..	Reay Road, Tank Bunder, Bombay.
219	„ Kishanchand Rupchand Binani	„ Rai Bahadur Tikamchand	299, Kalbadevi Road, Bombay.

No.	Representative.	Member.	Address.
220	Mr. Noormahomed Lilani ..	The Bombay Glass Bangle Merchants' Association.	82, Bazar Gate Street, Bombay.
221	,, Dhirajlal C. Mody ..	The Gujerati Type Foundry ..	Gaiwadi, Girgaon, Bombay.
222	,, Manu Subedar ..	Mr. Manu Subedar ..	Kodak House, Hornby Road, Fort, Bombay.
223	,, G. F. Munshi ..	The Gujrat Islam Match Mfg. Co. Ltd.	Kankaria Road, Ahmedabad.
224	,, Kalyanbhai Sarabhai Javeri. ..	Messrs. Sarabhai & Sons. ..	76-80, Prince Building, Medows St., Bombay.
225	,, Jagjivan Ujamshi Mulji	The Sugar Merchants' Association	Khand Bazar, Bombay.
226	,, K. M. Shinker ..	The Indian Co-operative Navigation & Trading Co. Ltd.	Keshavji Building, 149, Frere Road, Bombay.
227	,, C. R. H. Readymoney ..	Messrs. India International Co.	Readymoney Mansion, Churchgate St., Bombay.
228	,, Narayanlal Bansilal Pittee ..	Mr. Narayanlal Bansilal Pittee ..	205-207-209, Kalbadevi Road, Bombay.
229	,, F. E. Dinshaw ..	,, F. E. Dinshaw ..	C/o Messrs. Payne & Co., Solicitors, Esplanade Road, Fort, Bombay.
230	,, Sorab Dalal ..	Messrs. Sorab Dalal Potteries ..	"Westview," Khanpur Road, Ahmedabad.
231	,, S. Bhattacherjee ..	The Bengal Luxmi Cotton Mills, Ltd.	28, Pollock Street, Calcutta.
232	,, Tricumdas D. Morarji ..	The Dharamsi Morarji Chemical Co., Ltd,	Sudama House, Wittet, Road, Ballard Estate, Bombay.
233	Mr. Bhogilal Laherchand Javeri. ..	Messrs. Batliboi & Co. ..	Forbes Street, Fort, Bombay.
234	,, Mahomed Akbar A. Fazulbhoy.	Bombay Motor Exchange ..	New Queen's Road, Bombay.
235	,, Farroke E. Bharucha ..	Mr. Farroke E. Bharucha ..	Canada Building, Hornby Road, Bombay.
236	Pt. Shiv Kishan Kaul ..	Messrs. Sir Daya Kishan Kaul & Sons.	10, Abbott Road, Lahore.
237	Sir Byramjee Jeejeebhoy ..	Sir Byramjee Jeejeebhoy. ..	Alice Building, Hornby Road, Fort, Bom.
238	Mr. B. S. Lalkaka ..	The Pioneer Magnesia Work ..	Chartered Bank Building, Esplanade Rd., Fort, Bombay.
239	,, Dharamsey Mulraj Khatau.	Mr. Dharamsey Mulraj Khatau	42, Ballard Road, Fort, Bombay.
240	,, Jehangir Ruttonji Dubash	Mr. Jehangir Ruttonji Dubash ..	24, Carnac Bridge Road, Akbar Press, Bombay.
241	,, Govinddas Maneklal ..	,, Govinddas Maneklal ..	Asarva Road, Ahmedabad.
242	,, Purshottamdas H. Shah	Messrs. Bhaidas Karsondas & Co.	7/10, Elphinstone Circle, Fort, Bombay.
243	,, Bhagwandas Ramchund	,, Narotamdas Ramchand & Co.	C/o Mackinnon Mackenzie & Co., Ballard Estate, Bombay.
244	,, Vrajlal Jivandas ..	,, Laxmidas Vrajlal & Co. ..	100/102, Girgaum Back Road, Bombay.
245	,, J. K. Dubash ..	Mr. J. K. Dubash ..	Dady House, Churchgate Street, Bombay.
246	,, Mulji Laxmidas ..	Messrs. Vussonji Morarji ..	36, Holi Chakla, Fort, Bombay.
247	,, Babubhai Manji Sanghvi	,, R. Ratilal & Co. ..	Teju Kaya Bldg., Old Chinch Bunder Road, Bom. 9.

No.	Representative	Member.	Address.
248	Mr. Jagmohundas Kaliandas	Mr. Jagmohundas Kaliandas ..	"Krishna Kunj" Ridge Road, Bombay.
249	,, M. S. Captain ..	Messrs. Captain & Vaidya ..	121, Esplanade Road, Fort, Bombay.
250	,, Lachmandas Harkhchand Daga.	,, Rai Bahadur Bansilal Abirchand.	558/62, Shaikh Memon Street, Bombay.
251	,, Nanji Ludha. ..	Messrs. Kurpal Harsey & Co. (The Bombay Rice Merchant's Association.)	The New Chinch Bunder Road, Bombay.
252	,, Chunilal B. Mehta ..	Messrs. Chunilal Mehta & Co. ..	51, Marwari Bazar, Bombay.
253	,, Ratilal M. Nanavati ..	,, Kantawalla Nanavati & Co. Ltd.	28, Apollo St., Fort, Bombay.
254	,, H. R. Dadabhoy ..	,, Sorabji Shapurji & Co., Ltd.	Wadia Building, 118-20 Parsi Bazar St., Bombay.
255	,, Prabhudas G. Shah. ..	,, Jeewanlal (1929) Ltd. ..	Kansara Chawl, Kalbadevi Road, Bombay.
256	,, Sultan Chinoy ..	The Bombay Garage ..	Opp. Band Stand, Chaupatty, Bombay.
257	,, Ahmed N. Futehally ..	Messrs. N. Futehally & Co. ..	19, Bank Street, Fort, Bombay.
258	,, Ballabhdas Eshwardas Agrawal	Mr. Ballabhdas Eshwardas Agrawal.	Khandwa, (C.P.)
259	,, Bhawanji A. Khimji ..	Messrs. Arjan Khimji & Co. ..	Navsari Chamber, Outram Road, Fort, Bombay.
260	Mr. Purushottamdas Jivandas.	The Jamnadas Nursey Ginning & Pressing Co., Ltd.	Albert Building, Hornby Road, Fort, Bombay.
261	,, Karamchand Chunilal ..	Mr. Karamchand Chunilal ..	Sriram Mansion, Sandhurst Road, Bom.
262	Seth Kasturbhai Lalbhai ..	Seth Kasturbhai Lalbhai ..	Pankore's Naka, Ahmedabad.
263	Mr. Rustom Pestonji Masani.	Mr. Rustom Pestonji Masani ..	118-20, Parsee Bazar St., Fort, Bombay.
264	,, Dwarkadas Chhotalal Vakil.	,, Dwarkadas Chhotalal Vakil	Wakefield House, Ballard Estate, Bom.
265	Rao Bahadur Laxman Vishwanath Pophale	Rao Bahadur Laxman Vishwanath Pophale	Malegaon, (Nasik District)
266	Mr. Pannalalji Hiralalji ..	Messrs. Mahaboob Shahi Kulbarga Mills Co., Ltd.	1727, Gunj Bazar, Secunderabad (Dn.)
267	,, Girdharlal H. Lohana	Mr. Girdharlal H. Lohana	Duncun Road, Bombay. 4.
268	,, D. T. Thadhani ..	Messrs. T. S. Thadhani & Sons.	Albert Bldg., Hornby Road, Bombay.
269	,, M. L. Dahanukar ..	Mr. M. L. Dahanukar ..	Shri Krishna Nivas, Kalbadevi Road, Bombay
270	,, K. M. Madon ..	The Tata Iron & Steel Co. Ltd.	Bombay House, Bruce Street, Fort, Bom.
271	,, Karsandas Vissanji ..	Messrs. Vissanji Sons & Co. ..	9, Wallace Street, Fort, Bombay
272	,, Nemchand Abhechand	,, Nemchand Khimchand Co.	182, Shaikh Memon Street, Bombay.
273	,, Motilal Bawalal ..	Mr. Motilal Bawalal ..	Dalal Street, Fort, Bombay.
274	,, S. C. Majumdar ..	Hindusthan Co-operative Insurance Society, Ltd.,	Commissariat Building, Hornby Road, Fort, Bombay

No.	Representative.	Member.	Address.
275	Mr. Hargovandas Jeevandas	Mr. Hargowandas Jeevandas ..	Diamond Bldg, Lohar Chawl, Bombay
276	,, Preheladji D. Bhatt ..	Messrs. Purshotam Mathradas & Co., Ltd.	80, Kazi Syed Street, Bombay
277	,, Ebrahim Curmally ..	Messrs. Curmally Janmahomed ..	160-62, Samuel Street, Bombay
278	,, N. W. Gurjar ..	Messrs. Kirloskar Bros. Ltd. ..	Kirloskarvadi, (Dist. Satara).
279	,, D. S. Kanetkar ..	The Maharashtra Chamber of Commerce.	Phoenix Building, Ballard Estate, Fort, Bombay
280	,, Jayantilal Devidas ..	Mr. Jayantilal Devidas ..	Carnac Bunder, Bombay.
281	,, R. Hashmatrai ..	Messrs. Dhanamal Chellaram ..	Medows Street, Fort, Bombay.
282	Khan Bahadur D.B. Cooper..	The Cooper Engineering Works	"Huntworth" Satara.
283	Mr. Reginald Herber Parker	Bombay Telephone Co., Ltd. ..	Home Street, Fort, Bombay.
284	,, G. K. Dalal ..	Messrs. Dalal & Mehta ..	41, Medows Street, Fort, Bombay.
285	,, Natverlal Bhagvanlal Desai	,, Natverlal & Co.	Whiteway Laidlow Building, Hornby Rd. Fort, Bombay.
286	,, G. S. Mahomed ..	Mr. G. S. Mahomed ..	144, Samuel Street, Bombay 3.
287	,, Tulsidas Khimji ..	,, Tulsidas Khimji ..	46, Churchgate Street, Fort, Bombay.
288	Mr. Jugmohandas J. Kapadia.	Mr. Jagmohandas J. Kapadia. ..	Morarji Gokuldas Chawl No. 5, Sandhurst Road, Bombay.
289	,, A. A. Jasdenvala ..	Messrs. Adamji Lookmanji & Co.	127, Fort Street, Fort, Bombay.
290	,, D. Cowasji ..	,, D. Cowasji & Co. Ltd. ..	20, Fort Street, Fort, Bombay.
291	,, H. B. Reporter ..	,, Empress Iron & Brass Works.	Connaught Road, Parel, Bombay.
292	,, Fulchand Manekchand Shah..	,, Virchand Panachand & Co. ..	Gaumukh Bhuvan, Masjid Bunder Road, Bombay.
293	,, Khimji Madan Bhujpuria.	The Bombay Grain Dealers' Association.	Bhat Bazar, Mandvi, Bombay.
294	,, Nagindas Tribhowandas Master.	Mr. Nagindas Tribhowandas Master.	94, Medows Street, Fort, Bombay.
295	,, Shivramdas B. Kedia ..	Messrs. Shivramdas Gangaprasad Kedia.	556, Shaikh Memon Street, Bombay.
296	,,	Madan Theatres, Ltd. ..	Excelsior Theatre, Fort, Bombay.
297	Hon. Sir H. M. Mehta ..	Messrs. H. M. Mehta & Co. Ltd...	Apollo Street, Fort, Bombay.
298	Mr. Jagjivan Ujamshi ..	Mr. Jagjivan Ujamshi. ..	Aga Khan Building, Dalal Street, Bombay.
299	,, Hemchand Mohanlal ..	Messrs. Hemchand Mohanlal & Co.	Dhanji Street, Bombay.
300	,, Erachshaw R. Heerjibehedin.	Mr. Erachshaw R. Heerjibehedin.	Kaiser-Chambers, Elphinstone Circle, Fort, Bombay.
301	,, Mangaldas B. Mehta ..	Messrs. Amarchand & Mangaldas	36, Tamarind Lane, Fort, Bombay
302	,, N. G. Motwane ..	Eastern Electric & Engineering Co.	175, Hornby Road, Fort, Bombay.

No.	Representative	Member.	Address.
303	Mr. Devji Tokersey Moolji	Mr. Devji Tokersey Moolji ..	Bhat Bazar, Mandvi, Bombay.
304	,, Valabhdas Tejpal ..	Mr. Valabhdas Tejpal ..	219, Vadgadi, Bombay.
305	,, Fakirjee Cowasji ..	Messrs. Cowasji & Sons. ..	Kimari, Karachi.
306	,, Choonilal Girdharlal ..	,, Choonilal Girdharlal & Co.	Rustom Building, Churchgate St., Fort, Bombay.
307	,, Ratilal Mulji Gandhi	The Seeds Traders' Association ..	Gaya Building, Musjid Bunder Road, Bombay.
308	Sir Chunilal V. Mehta. ..	Sir Chunilal V. Mehta. ..	Neville House, Ballard Estate, Fort, Bombay.
309	Mr. Amritlal Popatbhai ..	Messrs. Amritlal Popatbhai & Co.	Agakhan Building, Dalal St., Fort Bombay.
310	,, Lalbhai Manilal Lalubhai Teli.	Mr. Lalbhai Manilal Lalubhai Teli	C/o India Cotton Oil Co., Ahmedabad.
311	,, Goolamhusein Ebrahim	Messrs. Abdoolally Ebrahim ..	121, Nagdevi Street, Bombay.
312	,, Ranchhoddas Jethabhai	,, Ranchhoddas Jeyram & Sons.	Dongri Sreet, Bhat Bazar, Bombay.
313	,, K. S. Ramchandra Iyer	The Indian Insurance Companies' Association.	Jehangir Wadia Building, Esplanade Road, Fort, Bombay.
314	,, D. H. Vakil ..	Messrs. Vakil & Co.	Kaisar-Gunj, Ajmer.
315	,, Morarji Padamsey ..	Mr. Morarji Padamsey ..	Ewart House, Tamarind Lane, Fort, Bombay.
316	Mr. Thakordas Nanabhai Merchant	Mr. Thakordas Nanabhai Merchant.	Khakhar Building, C. P. Tank Road, Bombay.
317	,, Gopaldas Poonja ..	Messrs. Khimji Poonja & Co. ..	9-13, Humum Street, Fort, Bombay.
318	Sir Cowasji Jehangir (Jr.) ..	Sir Cowasji Jehangir (Jr.) ..	Readymoney Mansion, Churchgate Street, Fort, Bombay.
319	,, Dwarkadas Sunderdas	Messrs. Sunderdas Dwarkadas & Co.	42, Humum Street, Fort, Bombay.
320	,, Maneklal B. Patel ..	,, Shri Krishna Film Co. ..	162, Dadar Road, Dadar, Bombay.
321	,, Amritlal D. Sheth ..	,, Saurashtra Ltd. ..	Ranpur (Kathiawar .
322	,, Maneklal Premchand ..	Mr. Maneklal Premchand ..	63, Apollo Street, Fort, Bombay.
323	,, Dhansukhlal C. Mehta	Messrs. Mehta Vakil & Co. ..	Wadia Building, Dalal St., Fort, Bombay.
324	,, Abdultyeb E. Muskati..	Mr. Abdultyeb E. Muskati ..	186-88, Nagdevi Street, Bombay.
325	,, Venkatnarayan Patruni	,, Venkatnarayan Patruni ..	Dahanukar Building, Kalbadevi Road, Bombay.
326	,, Dostmahomed Munji ..	Messrs. Munji Nathoobhoy & Co.	Munjee House, 18-20 Rampart Row, Fort, Bombay.
327	,, K. J. Divecha ..	,, Wright & Co., ..	Mint & Frere Road, Fort, Bombay.
328	,, Lalji Ravji ..	,, Ravji Nensee & Co. ..	Ganpat Nappoo Building, New Chinch Bunder Road, Bombay.
329	,, Shivjee Devjee ..	,, Devjee Khetsey & Co.	New Chinch Bunder Road, Bombay.
330	,, Naranlal Jivanlal ..	The Ahmedabad New Standard Mills Co., Ltd.	Post Railwaypura, Ahmedabad.

No.	Representative.	Member.	Address.
331	Mr. Maturadas Kanji Matani.	The Bombay Rice Merchants' Association.	Carnac Bunder, Bombay.
332	,, Shah Shamji Vallabhji	Mr. Shah Shamji Vallabhji ..	Mulji Jetha Market, Dharamraj Gally, Bombay.
333	,, J. A. D. Naoroji ..	The Tata Oil Mills Co., Ltd. ..	Bombay House, Bruce Street, Fort, Bombay.
334	,, Morarji Narottam ..	The Pralhad Mills Ltd. ..	Gresham Building, Esplanade Road, Fort, Bombay.
335	,, Phiroze C. Cooper ..	Messrs. Boyce & Co.	20, Fort, Street, Fort, Bombay.
336	,, Hargovindas B. Kotak	Messrs. Kotak & Co. ..	Navsari Building, Hornby Road, Fort, Bombay.
337	,, Taherally Mahomedally Saherwalla.	The Bombay Iron Merchants' Association.	Carnac Bunder, Bombay.
338	,, J. D. Kothawala ..	Messrs. Polson Mfg. Co. ..	217-219, Frere Road, Fort, Bombay.
339	,, Manekshah N. Pochkhanawalla.	,, Wadia Ghandy & Co.	123, Esplanade Road, Fort, Bombay.
340	,, Bhogilal C. Shah. ..	The Chamber of Incometax Consultants.	15, Jiji House, Ravelin Street, Fort, Bombay.
341	,, Jamnadas M. Mehta ..	The Indian National Steamship Owners' Association	Sudama House, Wittet Road, Ballard Estate, Fort, Bombay.
342	,, Dharamdas Samaldas Purbhoodas.	Mr. Dharamdas Samaldas Purbhoodas.	P. O. Box 536, Fort, Bombay.
343	,, Shamjee Premjee ..	Messrs. Ranchordas Purshotam & Co.	106, Khand Bazar, Bombay.
344	Mr. Nandlal M. Bhuta ..	Messrs. M. Bhuta & Co. ..	88, Musjid Bunder Road, Mandvi, Bombay.
345	,, Nadirshaw Kawasjee ..	,, Nadirshaw, Printer & Co.	121, Esplanade Road, Fort, Bombay.
346	,, D. H. Bhiwandiwalla ..	,, Hormusji Manekji, Dossabhoy Hormusji Bhiwandiwalla & Co.	583, Chira Bazar, Bombay.
347	,, Jehangir B. Manekji ..	The General Engineering Corporation, Ltd.	Sardar Mansion, Apollo Street, Fort, Bombay.
348	,, C. G. Fozdar ..	The Asian Assurance Co., Ltd. ..	Asian Building, Ballard Estate, Fort, Bombay.
349	,, Ratilal Nathalal ..	Mr. Ratilal Nathalal ..	C/o Commercial Mills Co. Ltd., Ahmedabad.
350	,, Sakarlal Balabhai ..	The Sarangpur Cotton Mfg., Co. Ltd.	Ahmedabad.
351	,, Motilal H. Parikh ..	Messrs. Lallubhai Amichand ..	554, Kansara Chawl, Bombay.
352	,, N. M. Sampat ..	,, S. Mitra & Co. ..	210, Kelewadi, Girgaum Road, Bombay.
353	,, Byramjee Hormusjee ..	,, Zenith Life Assurance Co. Ltd.	Apollo Street, Fort, Bombay.
354	,,	,, Anant Shivaji Desai ..	Moti Bazar, Bombay.
355	,, P. D. Churi ..	National Insurance Co., Ltd.	National Insurance Building, Hornby Road, Fort, Bombay.
356	,, D. P. Tata ..	The Bombay Kariana Merchants' Association.	222-4, Vadgadi, Mandvi, Bombay.
357	,, Rashid N. Futehally ..	The Indian Match Manufacturers' Association.	39, Pydhowni Road, Khadak Mandvi, Bombay.
358	,, Mathuradas Vissanji ..	The Wallace Flour Mills, Co., Ltd.	9, Wallace Street, Fort, Bombay.

No.	Representative.	Member.	Address.
359	Mr. Sitaldas Tirathdas ..	Messrs. Sitaldas Tirathdas ..	64, Multani's Wadi, Walkeshwar Road, Bombay.
360	„ Ishvarlal S. Patel ..	„ The New Laxmi Oil & Chemical Works, Ltd.	Derol, (Panchmahal).
361	„ Hassanally Shermahomed	Mr. Hassanally Shermahomed ..	39, Pydhonie Road, Khadak, Bombay.
362	„ Dharamdas Hargovandas.	„ Dharamdas Hargovandas	Diamond Bldg., Lohar Chawl, Bombay.
363	„ Bhogilal Hargovindas Patel.	Messrs. Das & Co.	59, Apollo St., Fort, Bombay.
364	„ Rahim Ebrahim ..	„ Ebrahim Currim & Sons.	Rahim Building, Princess Street, Bombay
365	Dr. Kalimudin ..	The Bombay Soap Factory ..	Ripon Road Cross Lane, Jacob Circle, Bombay.
366	Mr. A. G. Gray ..	The Bank of India, Ltd. ..	Fort, Bombay.
367	„ Nandvadan Jhaverilal Gor.	Mr. Nandvadan Jhaverilal Gor.	York Building, Hornby Road, Fort, Bombay.
368	„ S. B. Dalal ..	Messrs. Birla Bros., Ltd. ..	Jehangir Wadia Building, Esplanade Road, Fort, Bombay.
369	„ N. J. Shah ..	The Bombay Mutual Life Assurance Society, Ltd.	278, Hornby Road, Fort, Bombay.
370	„ C. N. Moberley ..	The Bombay Electric Supply & Tramways Co., Ltd.	Electric House, Fort, Bombay.
371	„ Purshotamdas Popatlal..	Messrs. Purshotamdas Popatlal & Co.	37 Hamam Street, Fort, Bombay.

372	Mr. Vasonmal Kishenchand.	Messrs. J. B. Advani & Co., Ltd.	27, Mangaldas Road, Bombay.
373	„ H. Edwin-Jones ..	The Oriental Government Security Life Assurance Co., Ltd.	Oriental Buildings, Hornby Road, Fort, Bombay.
374	„ N. B. Mehta ..	The Central India Spg. Wg., & Mfg. Co., Ltd.	Bombay House, Bruce Street, Fort, Bombay.
375	„ J. H. Bhabha ..	The Andhra Valley Power Supply Co., Ltd. ..	Do.
376	„ J. H. Bhabha ..	The Tata Power Co., Ltd. ..	Do.
377	„ V. C. Setalvad ..	Mr. V. C. Setalvad ..	C/o The Industrial & Prudential Assurance Co., Ltd., Jehangir Wadia Building, Esplanade Road, Fort, Bombay.
378	„ Chiranjilal Loyalka ..	Messrs. R. B. Loyalka. ..	New Stock Exchange Bldg., Share Bazar, Fort, Bombay.
379	„ Ebrahim Dawood Kazi..	Mr. Ebrahim Dawood Kazi ..	Pine Mansion Mazgoan, Bombay.
380	„ Dorab R. Davar ...	Messrs. Cornelius & Davar. ..	80, Esplanade Road, Fort, Bombay.
381	„ Chimanlal Manchubhai .	Mr. Chimanlal Manchubhai ..	183, Cadell Road, Mahim, Bombay.
382	„ Amritlal Hargovandas ..	Messrs. Hargovandas Lakhmichand.	Manek Chowk, Ahmedabad.
383	„ Thakorlal Hiralal Vakil.	The Bombay Coal Merchants' Association.	4, Green Street, Fort, Bombay.
384	„ Geo Brown ..	The British India General Insurance Co., Ltd.	35-43, Churchgate Street, Fort, Bombay.
385	„ Hassanali M. Khairaz..	Messrs. Ebram Peermahomed & Co.	142, Chuckla Street, Bombay.

No.	Representative.	Member.	Address.
386	Mr. Harivallabhdas Kalidas	Messrs. Shri Ambica Mills, Ltd...	Post Railwaypura, Ahmedabad.
387	,, Narotam Vithal Purshotam.	,, Vithal Purshotam & Son.	Sandhurst Road, Bombay.
388	,, C. E. Randle ..	The Bank of Baroda, Ltd. ..	Baroda.
389	Mrs. Lilavati K. Munshi ..	Swadeshi Market Committee. ..	Kalbadevi Road, Bombay.
390	Mr. Gunvantlal Varajdas Kapadia	Mr. Gunvantlal Varajdas Kapadia.	C/o Dikshit Maneklal & Co., Solicitors, 23, Medows Street, Fort, Bombay.
391	,, B. S. Turkhad ..	The Prabhat Insurance Co., Ltd.	Ismail Building, Hornby Road, Fort, Bom.
392	,, Abdoola Hoosein Calcuttawala	Messrs. Velji Kalidas & Co. ..	Khoja Mohalla Bombay.
393	,, Jagjiwandas Dosabhai..	Messrs. Jagjiwandas Dosabhai & Co.	1. Shaikh Memon Street, Moti Raghunath Building, Bombay.
394	,, Durlabji Shah ..	Messrs. Mithabhoy & Co. ..	Lalsingh Building, Shaikh Memon Street, Bombay.
395	,, Gulamally Samsudin ..	Messrs. M. Gulamally Abdulhusein & Co.	Tamba Kanta, Bombay, 3.
396	,, Fulchand Maganlal ..	The Ahmedabad Jupitar Spg. Wvg. & Mfg. Co., Ltd.	Dudheshwar Road, Ahmedabad.
397	,, H. S. Captain ..	The C. P. Cement Co., Ltd. ..	Yusuf Building, Esplande Road, Fort, Bombay.
398	,, Hormusji Ardeshir Banker	Mr. Hormusji Ardeshir Banker.	National City Bank of New York, Shaikh Memon Street, Bombay,
399	Mr. D. R. C. Hartlay ..	The Cement Marketing Co. of India, Ltd.	Forbes Building, Home St., Fort, Bombay.
400	,, Shivlal N. Maniar ..	Shri Mahajan Association Ltd. ..	Patwa Chawl, Shaikh Memon Street, Bombay.
401	,, Jaysinglal P. Mehta ..	Mr. Jaysinglal P. Mehta ..	C/o The Bombay Steam Navigation Co. Ltd., 100, Frere Road, Bombay.
402	,, Anandji Haridas ..	Messrs. Anandji Haridas & Co,.. Ltd.	Argyle Road, Carnac Bunder, Bombay
403	,, Chamanlal Popatlal Mehta.	Messrs. C. Metha & Co. ..	76-78, Nagdevi Street, Bombay.
404	,, Thakordas P. Shah ..	,, Thakordas & Co. ..	65, Esplande Road, Bombay.
405	,, Rustom K. R. Cama ..	Mr. Rustom K. R. Cama ..	Yusuf Building, Esplande Road, Fort, Bombay.
406	,, Narandas Ranchhordas Cantol	,, Narandas Ranchhordas Cantol. ..	C/o Chugondas & Co., 17, Elphinstone Circle, Fort, Bombay.
407	,, Damodar M. Gandhi...	Messrs. Gandhi & Co. ..	94, Medows Street, Fort, Bombay.
408	,, Mahomedbhoy I. M. Rowji.	Mr. Mahomedbhoy I. M. Rowjee	187, Samuel Street, Bombay.
409	,, Jayantilal Girdharlal Shah.	,, Jayantilal Girdharlal Shah ..	Khadia, Raghasutaria Pole, Ahmedabad
410	,, Madhukar Gulabshanker Bakshi	,, Madhukar Gulabshanker Bakshi.	C/o. Sir Chinubhoy Madhavlal, Gandhi Road, Ahmedabad.
411	,, Krishnaprasad C. Desai	The Hukamchand Insurance Co. Ltd.	Jehangir Wadia Bldg., Esplande Road, Fort, Bombay.
412	,, Mahomedjaffer S. Dharamsi.	Mr. Mahomedjaffer S. Dharamsi	Shale Building, Bank Street, Fort, Bom.
413	,, Mathuradas Dwarkadas	,, Mathuradas Dwarkadas ..	Ewart House, Tamarind Lane, Fort, Bom.

No.	Representative.	Member.	Address.
414	Mr. Ratansey Damji ..	The Gum Merchants' Association	179, Khoja Mohalla, Bombay.
415	,, Ramchand R. Shivdasani	Messrs. Ramchand Banarsidas ..	144, Kalbadevi Road, Bombay.
416	,, Madhavsinh Kanji ..	The Acme Mfg. Co., Ltd. ..	9, Wallace Street, Fort, Bombay.
417	,, Vithaldas Kanji ..	Messrs. Vissanji Khimji & Co. ..	9, Wallace Street, Fort, Bombay.
418	,, Ishwarlal K. Desai ..	,, Bhaishanker Kanga & Girdharlal.	Albert Bldg., Hornby Road, Fort, Bom.
419	,, G.C. Kothari ..	,, Chimanlal Desai & Co. ..	Alice Building, Hornby Road, Fort, Bom.
420	,, Purshotam Meghji ..	,, Purshotam Bhanji & Co.	Old Bardan Gully, Isaji Street, Bombay.
421	,, Hariram Jethabhai ..	Mr. Hariram Jethabhai ..	16, Jetha Babu House, Chinchbunder Road, Bombay.
422	,, Virchand Meghji ..	,, Virchand Meghji ..	C/o Messrs. Gill & Co., Ballard Estate, Fort, Bombay.
423	,, Gordhandas T. Mangaldas	,, Gordhandas T. Mangaldas ..	Sir Mangaldas' House, Lamington Road, Bombay.
424	,, Nagindas D. Goradia ..	Messrs. Nagindas Lovji & Co. ..	2, Sutar Chawl, Bombay.
425	,, Dwarkadas Joogalkishor	,, Joogalkishor Narandas	307-309, Kalbadevi Road, Bombay.
426	,, Hasanally Abdulkarim	,, Abdul Karim Cassum Khatau.	Above Islam Club, Chowpatty, Bombay.
427	Mr. Ranchhoddas Chunilal Shroff.	Messrs. Vithaldas Choonilal Jariwalla	104-6, Bhuleshwar, Bombay.
428	,, Jethalal Dharsey ..	,, Jethalal & Co. ..	59, Marwari Bazar, Bombay.
429	,, Mahasukhrai G. Bhatt	,, Kora & Bhatt ..	22, Apollo, Street, Fort, Bombay.
430	,, Chunilal Dahyabhai ..	,, Chunilal Dahyabhai & Co.	Princess Street, Bombay.
431	,, Bhaidas Nanalal ..	Mr. Bhaidas Nanalal ..	Bible House, Hornby Road, Fort, Bombay
432	,, Rustomjee Hormasjee Rao.	,, Rustomjee Hormasjee Rao ..	9, Wallace Street, Fort, Bombay.
433	,, Shariff Hasham ..	The Eastern Steam Navigation Co., Ltd.	24, Mangalore Street, Fort, Bombay.
434	,, Umakant Shrirang Desai	Mr. Umakant Shrirang Desai ..	Aga Khan Building, 26, Dalal Street, Fort, Bombay.
435	,, Chandrakant Mulshanker Trivedi.	,, Chandrakant Mulshanker Trivedi.	Diamond House, Vatchagandy Road, Bombay.
436	,, G.M. Bhuta. ..	Messrs. Master Sathe & Bhuta ..	41, Hamam Street, Fort, Bombay.
437	,, Maneklal Pranjivandas	The Gold Filled Leather Works ..	Bhangwadi, Kalbadevi Road, Bombay
438	,, G.I. Patel ..	Messrs. Gordhandas Desai & Co.	Kermani Building, Hornby Road, Fort, Bombay.
439	,, N.B. Bhagat. ..	,, Bhagat & Sons ..	Love Lane, Mazagoon, Bombay.
440	,, Vijaysinh Govindji ..	The Indian Globe Insurance Co., Ltd.	28, Apollo Street, Fort, Bombay.
441	,, Kishan Prasad ..	Messrs. Kishan Prasad & Co., Ltd.	265, Kalbadevi Road, Bombay.

No.	Representative.	Member.	Address.
442	Mr. Shaikh Abdulla S. Ahmed.	Messrs. Mohamed Valli Patel ..	148, Khand Bazar, Bombay.
443	,, Pallanji Pestonji ..	,, Muncherji Vadilal & Co.	Cotton Depot, Mazagaon, Bombay.
444	,, Shavakshaw Fakirji Dhalla. ..	,, Fakirji Rustomji & Son	Carnac Bridge Goods Station, Bombay.
445	,, Pratapray Manmohandas	,, Pratapray Amritlal & Co.	Ranchhoddas Tribhovandas Bldg. Marwari Bazar, Bombay.
446	,, Ramlal Manaktala ..	,, Shankerdas Ruplal ..	127-129, Shaikh Memon Street Bom.
447	,, Desraj Manaktala ..	,, Dhanpatmal Jawala Das	Hanuman Building, Pydhonie, Bombay.
448	,, Karsandas Kanji ..	Mr. Karsandas Kanji ..	133, Kazi Syed Street, Bombay.
449	,, Mathradas Haridas ..	Messrs. Damodar Anandji ..	66, Karwar Street, Fort, Bombay.
450	,, Gangaram Valabhji ..	,, Hasham Premji ..	Rice, Godown, Carnac Bunder, Bombay.
451	,, Mohamed Umar Chandbhoy.	Mr. Mohamed Umar Chandbhoy	150,, Nagdevi Street, Bombay.
452	,, Kaikhusru A. Dubash.	Messrs. Ardeshir B. Cursetjee & Sons.	6, Rampart Row, Fort, Bombay.
453	,, Madhavji Hariram ..	,, Manilal Mulji Rangwalla	Vadgadi, Samuel Street, Bombay.
454	,, Shiavax C. Cambata ..	The Hirdagarh Collieries, Ltd. ..	Cook's Building, 324, Hornby Road, Fort Bombay.
455	Mr. Laxmidas Bhawanidas Vora.	Mr. Laxmidas Bhawanidas Vora	65, Old Hanuman Lane, Bombay.
456	,, Nathubhai N. Dandh. ..	Messrs. Shamji Karamsi & Co. ..	27, Chinchbunder Road, Bombay.
457	,, Thackersey Hirji Nensey	,, Hirji Nensey & Co. ..	7-10, Elphinstone Circle, Fort, Bom.
458	,, B.D. Sardesai ..	The Hindustan Construction Co., Ltd.	Phoenix Bldg. Ballard Estate, Fort, Bombay.
459	,, K. H. Goregaokar. ..	Mr. K. H. Goregaokar ..	41, Bruce, Street, Fort, Bombay.
460	,, Ratanchand Khimchand Motishaw.	Messrs. R. K. Motishaw & Co ..	9-13 Hamam Street, Fort, Bombay.
461	,, T. G. Patel ..	The Indian Hume Pipe Co., Ltd.	Sholapur
462	,, Lalchand Hirachand ..	Mr. Lalchand Hirachand ..	Post Ravalgaon, Dt. Nasik.
463	,, Thakorlal H. Vakil ..	Messrs. Vakil Brothers ..	43, Apollo, Street, Fort, Bombae.
464	,, R. G. Saraiya. ..	The Broach City Press, Co., Ltd.	Navsari Chambers, Outram Road. Fort, Bombay.
465	,, Mahomed Suleman Mitha	Messrs. Mahomed Suleman & Co.	27, Kolsa Mohalla, Pydhonie, Bombay,
466	,, Abba Haji Mahomed ..	Mr. Abba Haji Mahomed	Corner Napeansea Road, Malabar Hill. Bombay.
467	,, Mahomedali Salehmahomed Maniar.	,, Mahomedali Salehmahomed Maniar.	New Kazi Mohalla, Bombay, 9.
468	,, Mohamed M. Killedar	Messrs. Moosa Haji Mohamed Killedar & Bros.	Killedar Street, Jacob Circle, Bom.
469	,, V. V. Pandit. ..	,, Pandit Bros. ..	Laxmi Bhuvan, Sandhurst, Road, Bom.

No.	Representative.	Mem er.	Address.
470	Mr. Narottam Keshvalal Shah.	Mr. Narottam Keshavlal Shah	C/o Messrs. Savailal Maneklal, 4th Lane Mangaldas Market, Bombay.
471	,, D. M. Soni	The Northland Sports Works	Sialkot (Punjab)
472	,, Jagmohandas Bhagwandas.	The Muccadam Association	Wakefield House, Ballard Estate, Bombay
473	,, A. P. Patwardhan	Messrs. Annar & Co.	265, Tardev Road, Bombay 7.
474	,, F. C. Talwar	Mr. F. C. Talwar	244, Walkeshwar Road, Bombay.
475	,, Ramdas Khimji	Messrs. Ramdas Khimji & Sons	Tuticorin.
476	,, R. N. Adarbad	The Indian Society of Accountants & Auditors.	Albert Building, Hornby Road, Fort, Bom.
477	,, E. S. Patanwala	Mr. E. S. Patanwala	182-184, Abdulrehman Street, Bombay.
478	,, Ahmed Ebrahim	Messrs. Ahmed Ebrahim Brothers.	716-720, Merchant Street, Rangoon.
479	,, Dhunjishaw H. Joshi	A. B. C. Motor Equipment Co.	17, Ravelin Street, Fort, Bombay.
480	,, S. C. Banerji	Messrs. Marsland Price & Co. Ltd.	Phoenix Building., Ballard Estate, Fort, Bombay.
481	,, Chhotabhai S. Patel	The Swastik Oil Mills Ltd.	27, Bastion Road, Fort, Bombay.
482	,, Mahadev M. Singhi	The Cotton Agents, Ltd.	51, Esplanade Road, Fort, Bombay.
483	Mr. Amratlal Kalidas	Mr. Amratlal Kalidas.	Stock Exchange New Bldg., Dalal St., Fort, Bombay.
484	,, Harilal Narottam Contractor.	Messrs. Ranchhodji Ramji & Co.	Chikalwadi, Bombay.
485	,, Bhavanji Arjan Khimji	The Bombay Cotton Merchants & Muccadums Association, Ltd,	Cotton Exchange, Sewree, Bombay.
486	,, Jamnadas Meghji	Messrs. Jamnadas Meghji & Co.	166-170, Bible Society Bldgs., Hornby Road, Fort, Bombay.
487	,, Hirji Lakhmidas	Mr. Hirji Lakhmidas	C/o Virji Peraj Maskai, Maskai Bldg., 106, Bhandari Street, Bombay.
488	,, Valjee Ladha	Messrs. Valjee Ladha & Co.	Dongri Street, Mandvi, Bombay.
489	,, Premchand C. Bhayani.	,, Jamnadas Chaturbhuj & Bros.	55, Nagdevi Cross Lane, Bombay.

RULES and REGULATIONS
of the
INDIAN MERCHANTS' CHAMBER.
(As amended upto 29th July 1933.)

Name. 1. The Association shall be styled, "The Indian Merchants' Chamber."

Office. 2. The office of the Chamber will be situate in Bombay.

Objects. 3. The objects for which the Chamber is established are :—

(*a*) To encourage friendly feeling and unanimity among business community on all subjects connected with the common good of Indian merchants.

(*b*) To secure organised action on all subjects relating to the interests of the Indian business community directly and indirectly.

(*c*) To promote the objects of the Indian business community in matters of inland and foreign trade shipping and transport, industry and manufacture, banking and insurance.

(*d*) To collect and disseminate statistical and other information securing the promotion of the objects of the Chamber, and to make efforts for the spread of commercial and economic knowledge.

(*e*) To take all steps which may be necessary for promoting, supporting or opposing legislation or other action affecting the aforesaid interest by the Government or any Department thereof or by any local body or bodies and in general to take the initiative to secure the welfare of the business community in all respects.

(*f*) To make representations to Local, Central or Imperial authorities, Executive or Legislative, on any matter affecting trade, commerce, manufacture or shiping, banking or insurance.

(*g*) To undertake by arbitration the settlement of commercial disputes between merchants and businessmen and also to provide for arbitration in respect of disputes arising in the course of trade, industry or transport, and to secure the services of expert technical and other men to that end if necessary or desirable.

(*h*) To advance and promote commercial and technical education and to found and support establishments and institutions for such purposes.

(*i*) To undertake special enquiries and action for securing redress for legitimate grievances of any branch of trade or industry as also all such other action as may be conducive to the extension of trade, commerce or manufacture, or incidental to the attainment of the above objects.

(*j*) To secure the interests and well-being of the Indian business communities abroad.

(*k*) (i) To secure, wherever possible, organised and/or concerted action on all subjects involving the interests of members including 'regulating conditions of employment of industrial labour' in various industries rerpresented by the members of the Organisation.

(ii) To nominate delegates and advisers, etc. to represent the employers of India at the Annual International Labour Conferences of the League of Nations.

(iii) To take up, consider and formulate ideas on the subjects which are on the Agenda of each International Labour Conference,

(iv) To take all steps which may be necessary for promoting, supporting or opposing recommendations or conventions of the International Labour Conference.

(*l*) And generally to do all that may be necessary in the interests of the realisation of the above objects of the Chamber directly or indirectly.

4. There shall be three classes of members :—

Members. (1) Ordinary (2) Patrons and (3) Honorary.

(1) There will be three classes of Ordinary members :—

(*a*)—Residents of Bombay and its suburbs who will have to pay Rs. 75 as annual subscription ; but Joint-Stock Companies will have to pay Rs. 100 per year.

(*b*)—Mofussil members who will have to pay Rs. 25 as annual subscription.

(*c*)—Associations which will have to pay Rs. 125 as annual subscription.

Admission Fee. All the ordinary members and patrons will have to pay Rs. 100 as admission fee which will be credited to a capital fund of the Chamber and shall not be expended on revenue account except with the consent of the General Body.

(2) *Patrons :* Indian firms or individual Indian merchants can join as Patrons. Firms will have to pay Rs. 5,000 and individuals Rs. 2,500 as donation, the proceeds of which will be credited to a capital fund which shall not be expended on revenue account but the interest whereof shall be taken to revenue account.

(3) *Honorary Members :* Gentlemen distinguished for public services or eminent in commerce and manufactures or otherwise interested in the aims and objects of the Chamber may be elected as Honorary Members by a General Meeting of the Chamber by two-thirds of the majority of members present at the

meeting on the recommendation of the Committee and as such shall be exempted from paying subscription. They shall not be entitled to vote at any meeting of the Chamber nor shall they be eligible to serve on the Committee.

Eligibility for membership of the Chamber.

5. Any Indian gentleman, firm or association engaged in mercantile pursuits or interested in trade and commerce desirous of joining the Chamber shall be eligible for membership.

Election of members.

6. (*a*) The applicant, whether an individual or a firm or an association, shall sign the admission form giving details of one's business and send it to the Secretary with signatures, of the proposer and the seconder, who must be members of the Chamber. This application shall be submitted to the committee who will fix the dates for the election by ballot, and appoint a scrutineer. At least seven days notice shall be given to all the members, stating dates for voting and the names of candidates with their proposers and seconders. Votes shall be received during the said seven days from 11 a.m. to 4 p.m. (B.T.)

(*b*) On the seventh day the ballot-box shall be opened at 4 p.m. (B.T.) by a scrutineer and the Secretary who will jointly declare the result of the voting.

(*c*) At least one tenth of the members of the Chamber must register their votes to make the ballot valid.

(*d*) In all voting for election to membership the presence in the ballot-box of black balls in the proportion of one in six shall exclude. Twelve negative votes shall be deemed to exclude.

Resignation.

7. A member wishing to resign shall give written notice to the Secretary not less than one calendar month before the completion of his annual period ; otherwise he will be liable for the subscription for the next year.

8. A member shall be deemed to be disqualified if :—

Disqualification of members.

(*a*) he becomes an insolvent.

(*b*) he fails to discharge his subscription for a period extending over twelve months.

9. A member of the Chamber shall be entitled :—

Privileges of members.

(*a*) To obtain gratis publications of the Chamber.

(*b*) To the free use of the Chamber's library.

(*c*) To vote at all meetings of the Chamber or on any matter referred to the General Body of members by circular.

(*d*) To be elected as an office-bearer of the Chamber.

10. There shall be held a general meeting of members, which shall be called the Annual Ordinary General Meeting within a month of the 31st December when the official year of the Chamber closes (provided that the Committee can extend the period upto a fortnight by a special resolution), to transact the following business :—

Meetings of members.

(*a*) To receive the Annual Report of the retiring Committee and the audited statement of accounts of the Chamber.

(*b*) To record the declaration of the result of election of office bearers for the ensuing year.

(*c*) To elect an auditor for the ensuing year.

(*d*) To transact such other business of which notice may have been given by a member five clear days before the date fixed for the Ordinary General Meeting, and of which the Secretary will have given notice to the general body of members by post or otherwise two days before the date of the meeting.

There shall be held during the course of the year in addition to the Annual Ordinary General Meeting three other ordinary meetings when a resume of the work done during the previous quarter will be supplied to members.

A Special General Meeting of members may also be called whenever the Committee think fit ; and the Committee shall also call a Special General Meeting on the requisition in writing of at least 10 members of the Chamber stating the object of the meeting.

At least three days' clear notice shall be given to members specifying the day, place, hour and objects of the meeting even when the Special General Meeting is convened by the Committee.

Ten days' clear notice of all other General Meetings, whether ordinary or special, shall be given to members specifying the day, place, hour and object of the meeting. Such General Meetings will also transact such other business of which notice has been given by a member five clear days before the date fixed for the meeting and of which the Secretary has given notice either by post or otherwise to the General body of members two days before the date of the meeting.

Quorum.

11. 15 Members shall be deemed a quorum for a General Meeting whether Ordinary or Special. No business can be transacted at any General Meeting, whether Ordinary or Special, if within 30 minutes of the hour specified for the meeting no quorum is formed. In that case the meeting shall stand adjourned to such date, hour and place as the members present at the meeting may fix.

Adjourned meeting.

12. An adjourned meeting can transact the business for which it is called without the necessary quorum.

Chairman.

13. The Chairman of the Committee shall preside at every General Meeting or the Vice Chairman in his absence. In the case of the absence of the Chairman as well as the Vice-Chairman, the members present may vote one from among themselves to take the Chair.

14. Every resolution submitted to the meeting shall be decided by a show of hands. In the case of equality of votes, the Chairman shall have a casting vote in addition to his own vote. Each member has the right to speak and vote on any subject which may be submitted for consideration at any General Meeting, provided that a firm or an association having more than one member shall have one vote only though its several members may be present at the meeting and take part therein.

Voting at meeting.

15. At every Annual Ordinary General Meeting there shall be elected a Committee to carry out the objects of the Chamber, consisting of the Chairman, the Vice-Chairman, and 23 members.

Managing Committee.

16. The Committee shall fill up any vacancy of an ordinary member thereof occurring during the year.

Vacancy on the Committee.

Non-attendance of a member of the Committee without the previous permission of the Committee at meetings of the Committee for three months consecutively will be considered a disqualification for his membership of the Committee and his office shall be considered vacant for the purposes of this rule.

The Secretary will send a reminder to a member of this rule if he has absented himself for two months without the required permission.

17. Any vacancy during the year in the Office of the Chairman or the Vice-Chairman created by resignation or by his going out of India for more than one month shall be filled up by election in accordance with Rule No. 26.

Vacancy in the office of the Chairman or the Vice-Chairman.

If the Vice-Chairman goes on leave in India for more than one month, the Committee shall appoint a substitute during his absence from among its own members.

18. The Committee shall retire at the end of its term of office but shall continue in office till its successor is appointed.

Retirement of the Committee.

19. The Committee shall frame its own rules for the purpose of regulating its proceedings which may be amended or altered or revised as it may deem expedient.

Rules of the Committee.

20. The Committee shall have the power to appoint a Secretary on such remuneration as it may deem proper and prescribe his duties and functions.

Secretary.

21. The Committee shall cause accounts of the Chamber to be kept and all receipts and funds shall be paid into such bank or banks as may be selected by it. Such accounts shall be regularly audited at the close of the year, and adopted at the Ordinary Annual General Meeting.

Account of the Chamber.

22. The Committee shall meet at least once a month to dispose of all communications and references and consider all matters which may be on the agenda.

Meeting of the Committee.

23. The Committee shall cause to be kept a book in which the minutes of the proceedings shall be regularly recorded.

Minute Book.

If a member of the Chamber wishes to see this minute book he can do so after giving at least 24 hour's notice to the Secretary of the Chamber.

24. After the commencement of a new official year, representatives of principal trades who are members of the Chamber shall be asked by the Committee to elect Sub-Committee of five members from amongst themselves. All questions relating

Sub-Committees.

to these trades coming before the Committee during the course of the year shall be first referred to such Sub-committee whose suggestions shall then be placed before the Committee. Such Sub-Committees shall be formed only for those trades which have at least ten representatives as members of the Chamber. The work of electing Sub-committee shall ordinarily be done by the representatives themselves but they can have the assistance of the Secretary of the Chamber if they require it.

The Committee shall at their discretion appoint a Sub-Committee from among their members to consider and report upon such special matters as they may deem expendient and they shall also have the power to invite at their meeting persons other than members of the Chamber and the Committee to consult them or take their advice on such matters as may be deemed necessary.

Register of Members.

25. The Secretary shall state in the Register of members of the Chamber names of individual members and of gentlemen who may be representing, for the time being, any members of the Chamber whether associations, firms or corporations. All changes in the names of representatives, addresses, etc., shall have to be notified to the Secretary on or before the 31st December for purposes of election of the Committee. A list prepared on the basis of this Register will be called the Electoral Roll of the Chamber and shall be deemed as such not only for purposes of the election of the Committee but also for purposes of elections of representatives of the Chamber on various public bodies. For purposes of election of the Committee, only those whose names are thus registered on or before 31st December shall be entitled to vote ; while for purposes of other elections the Secretary shall ask for any changes in the names of representatives, addresses, etc. as provided in the rules relating to those elections, and all such changes or additions or alterations or deletions will be notified to the members within the time specified in the rules for those elections. The elected gentlemen will be considered to be personally elected as representing particular members, and on their places falling vacant through any reason a fresh election will be made according to the rules in force for the time being.

Any member of a firm or its representative, being on that account a member of the Chamber, on his severing the partner-

ship or connection with the firm will no longer be a member of the Chamber.

This rule will not affect Rule 14.

This Register shall contain details regarding business of all members and shall also record the classified list of members according to different trades.

Election of Committee.

26. A list of members of the Chamber together with a list showing the attendance of members of the Committee at their meetings during the year shall be circulated by the Secretary amongst all the members before the 15th of January. Within a week of the receipt thereof nominations for Presidentship, Vice-Presidentship and membership of the Committee duly proposed, seconded, and signed by the nominees shall be sent to the Secretary. The Committee shall, before the Annual General Meeting, fix a day which shall be prior to that Meeting, for the election of the members of the Committee and of the President and Vice-President. The Secretary shall prepare and publish a list of nominations received by him, and shall circulate the same amongst the members of the Chamber along with the intimation of the date fixed for the election of the Committee, at least three clear days before the date of election.

The retiring Committee shall appoint two Scrutineers, who must be members of the Chamber but shall not be candidates for election.

On the day of the election the ballot box will remain open from 10 a.m. (S.T.) to 6 p.m.(S.T.) in the office of the Chamber. Th evoting papers shall be supplied to the members in the office of the Chamber who shall fill these up and place them in the ballot box. The President and the Vice-President shall be elected from among the nominations received for the Presidentship and Vice-Presidentship respectively, and 23 members shall be elected from among the nominations received for membership of the Committee. Votes recorded for a candidate for Presidentship or Vice-President-

ship will be *ipso facto* recorded for his election as a member of the Committee. The President and Vice-President shall be ex-officio members of the Committee. The counterfoils of these voting papers shall be signed by members and shall remain with the Secretary or an officer of the Chamber appointed by him. The Scrutineers shall seal the ballot box as also the packet containing the signed counterfoils of voting papers at 6 p.m. (S.T.) on the day of the election and with the Secretary will open the ballot box on the day following the day of election and declare the result by putting up the same on the Notice Board of the Chamber over the Secretary's signature.

This procedure will not apply in the case of the mofussil members, that is to say, members paying Rs. 25 as annual subscription and registered as such in the Official Register of the Chamber.

Voting papers shall be sent by Post to the mofussil members seven clear days before the date of election. The voting will be carried on in the following manner.

Big and small printed envelopes addressed to the Secretary of the Chamber will be sent to the mofussil members with voting papers. Members will enclose their voting papers in the small envelope and then enclose both this envelope and a letter duly signed stating that the voting paper is sent by them in the big envelope and send this to the Secretary who shall open it, placing the letter with the signature in one box and the small envelope containing the voting paper, which shall be unsigned, in the ballot box. This ballot box shall be opened by the Scrutineers with the Secretary along with the ballot box for the local members on the day of scrutiny, and all the voting papers will be scrutinised together.

Those who have obtained the highest number of votes shall be deemed to be duly elected. But in the event of refusal to serve on the part of any one or more of them, the member or members who has or have obtained the next highest number of votes shall

be considered to be elected in his or their place. The new Committee shall take office on the first day succeeding the holding of the Ordinary Annual General Meeting. A member or members of the Chamber representing it in the Indian Legislative Assembly, the Bombay Legislative Council, the Bombay Port Trust, the Bombay Municipality, and the like public bodies will be ex-officio members of the Committee if they are not already members of the same. Such ex-officio members shall not however be precluded from contesting the general election.

(*a*) The new Committee shall co-opt, out of the General Body of members, 40 (forty) per cent. of the Association Members.

(*Note*—For the purpose of calculation under this rule, fractions will be ignored).

(*b*) The new Committee shall further co-opt three ordinary members, who in their opinion will prove useful to them for consultation.

Such co-opted members will be elected by the Committee at their first meeting by ballot from among the members proposed at the meeting by members of the Committee.

Equality of votes.

27. In the case of equality of votes recorded for the election of the Chairman or Vice-Chairman or both, the Committee will invite a second ballot as to who shall be elected. In the case of equality of votes recorded for members of the Committee lots will be drawn and the election be declared in favour of the member who draws the lot.

Visitors.

28. Any person resident out of Bombay, engaged or interested in mercantile pursuits, visiting Bombay may be introduced as a visitor by any member of the Chamber who has previously obtained permission of the Chairman or in his absence the Vice-Chairman, through the Secretary, provided that a residence beyond one month shall subject such visitors to the rules for the admission of members.

29. All moneys or funds of the Chamber shall be primarily paid into the hands of the Secretary who shall pay the same into an account to be opened with any bank that may be approved by the Committee in the name of the Chamber. All cheques on that account shall be signed by the Chairman or in his absence by the Vice-Chairman for the time being and a member of the Committee. In the absence of both the Chairman and the Vice-Chairman cheques shall be signed by two members of the Committee.

Funds of the Chamber.

All cheques shall be countersigned by the Secretary.

30. The Chamber reserved to itself the right of expelling any member in case he does any act or pursues any conduct that is either in contravention of the rules of the Chamber or detrimental to its credit or is in any way injurious to its welfare and interest or by any other good and sufficient reason it is thought desirable to remove him from his membership of the Chamber. But action on that behalf shall only be taken on the resolution of a General Meeting whereat four-fifths of members present have voted in favour of the proposal.

Expulsion of members.

31. The foregoing rules and regulations shall be copied in a book to be kept with the records of the Chamber. Printed copies of the same shall be forwarded to all the members and no alteration or addition shall be made therein or thereto save and except by a majority of three-fourth of the members of the Chamber present at a General Meeting convened by a notice issued at least 7 clear days before the holding of such a meeting and in which all the terms of proposed alterations or additions shall have been clearly set forth.

Alteration in Rules and Regulations.

Rules of the Court of Arbitration of the Chamber.

As it is desirable that there should be a tribunal for the speedy disposal of disputes and differences arising between mer-

chants, the Indian Merchants' Chamber has adopted the following Scheme :—

1. There shall be a court of Arbitration working under the supervision and guidance of the Chamber.

2. The Council of the Chamber shall prepare a list of not less than 60 persons who having consented to do so shall form the Court of Arbitration. Whenever called upon a member or members shall solely or jointly constitute a tribunal for the disposal of a case referred to him or them.

3. There shall be a Committee of five members elected by the Court from among themselves who shall regulate the appointment of arbitrators by the parties for the tribunal, preparing and revising rules of procedure and preparing tables of fees to be charged and paid.

4. This Committee shall be a permanent body but so that two members thereof shall retire every year and whose places shall be filled up by the Court. The retiring members shall be eligible for re-election.

5. In electing members of the Court, the Council of the Chamber shall have regard to the recommendation of the Chambers of Commerce and Trade Associations affiliated to this Chamber.

6. The Secretary of the Chamber shall be the Registrar of the Court. It shall be his duty to act as Secretary of the Court, its Committee and its tribunal and keep records and do all the executive work of the Court.

7. The rules of the Indian Arbitration Act of 1899, and Schedule 2 of the Civil Procedure Code of 1908 (Arbitration) will apply to the arbitrations under these rules except as modified by them.

8. The disputants who wish to take advantage of this scheme shall execute a reference paper in the form prepared by the Committee of the Court and file the same with the Registrar,

9. The Registrar will place reference papers before the Committee of the Court. Parties should nominate arbitrators and in case of their failure to do so within a week from the day of filing reference, the Committee of the Court, shall appoint two arbitrators, and direct to procure their consent to act in the tribunal. This having been obtained and the tribunal constituted the Registrar shall fix a day for the trial and give notice thereof to the parties.

10. On the day fixed for trial and before they commence it the Arbitrators, if they are more than one, between themselves fix upon an Umpire who should take up the arbitration in case of the difference of opinion between the arbitrators. This name shall not be disclosed but shall be written on a paper, put in an envelope and sealed. The envelope shall be handed over to the Registrar who will open it only in case of difference of opinion and thereupon immediately request the Umpire to take up the matter.

11. The arbitrators may take oral or documentary evidence, hear parties or their agents, may take expert advice and do everything to come to a right decision of the case.

12. Within one month from the filling of the reference, or such further time as they may extend, the arbitrators shall prepare a written award, sign the same in the presence of the Registrar and hand over the same to him.

13. The arbitrators in their decision may by writting extend the time to make their award but in no case it will be later than three months from the date of reference. If they fail to make the award within the time prescribed. the Registrar shall forthwith request the Umpire to take up the matter.

14. The Umpire shall make his award within a fortnight from the day he takes it up provided he extends the time to do so by writing, but such shall not exceed two months from the day on which he has taken up the matter. If he fails to give his award during that time the arbitration shall lapse and the parties may put in a fresh reference.

15. The parties to an arbitration shall pay to the Registrar such fees as may from time to time be fixed by the Committee of the Court.

16. The arbitrators of a tribunal or an Umpire are entitled to such fee or fees for their services as may be fixed by the Committee of the Court.

Rules prepared by the Committee of the Court for carrying on the work of the Arbitration Court.

The provisions of Act IX of 1899 (Arbitration), will apply to all the arbitration made to this Court under its rules.

2. Under these rules the word "The Court" means the Court appointed by the Committee to the Arbitration Court.

3. The disputants shall prepare a submission paper in the form (1) of the Indian Arbitration Act, copies whereof will be supplied by the Registrar on payment of one anna.

4. The submission paper shall state :—

(*a*) The names of disputants made over in several numbers and arranged as far as practicable as Plaintiffs and Defendants.

(*b*) Each party shall mention in short the facts of his case.

(*c*) Specify the name of the sole Arbitrator or two Arbitrators as the case may be to whom the submission would be made.

(*d*) Specify whether the Arbitrator or Arbitrators have consented to take up the arbitration.

(*e*) A statement showing that the party shall abide by the award made by the Arbitrator or Arbitrators or the Umpire unless it is bad in the Law,

(*f*) Specify that they have paid Rs. 20 to the Registrar at the time of the submission paper or in case of more arbitrators than one, Rs. 20 for each arbitrator named.

(*g*) The disputants who are not members of the Chamber shall pay double the fees mentioned in Schedule.

5. On receipt of the reference paper, the Registrar shall fix a day for the hearing of the case and give notice to the Arbitrators and the parties. In case any of the Arbitrators refuses to act, the Committee shall be called upon to nominate an Arbitrator in his place who after signifying his consent will at once take up the matter.

6. The Registrar shall issue notices to the parties to appear before the Arbitration Court with the papers proving their case and the witnesses if any.

7. The Court before proceeding with the case and if the Arbitrators are more than one shall write down the name of the Umpire in case of their disagreement, and place the paper in an envelope, seal it hand it over to the Registrar. The name shall not be mentioned to any person until on the opening of the envelope, by the Registrar as hereinafter provided.

8. The Arbitrators shall hear the parties and their witnesses, consider the documents produced and thereafter adjourn to consider their award.

9. Within the time fixed by the Court (Rule XII) and within such extended time as may be fixed by the Court but in no case more than three months from the date of the submission the Arbitrators shall sign their award in the presence of the Registrar who will attest the same and file it.

10. The Arbitrators shall in the arbitrations make provision for the costs and the proportion in which and by whom and to whom to be paid.

11. If the hearing lasts for more than one day of two hours at a time the arbitrators may fix upon the amount of the Court's costs to be paid per diem by the parties.

12. If the arbitrators do not agree as to the award the non-agreement shall be notified to the Registrar who will open the sealed envelope and will at once refer the matter of difference to the Umpire who will make his award within the time prescribed by Rule XIV of the Court's Rules.

13. When the award is made by the Umpire the same shall be signed by him in the presence of the Registrar who will attest it and file it.

14. The Registrar shall within four days from the filing of the award give notice to the parties and, when applied for, give a copy of the same to him or them.

15. The fees fixed in the Schedule annexed hereto shall be charged under these rules.

SCHEDULE.

(1) Fee to be tendered with the reference paper Rs. 20 for each Arbitrator named in the Reference paper and a fee of Rs. 30 shall be tendered for the Umpire in case the matter is referred to the Umpire provided that Rs. 5 shall be deducted from all such fee as fees due to the Chamber.

(2) The parties before they enter upon hearing shall deposit Rs. 50 for making and stamping the award which will be accounted for at the time of filing the award.

(3) The party applying for copy of the award shall pay full stamps required to be paid under the Stamps Act and the copying charges.

Rules for the Election of Port Trustees by the Chamber.

(Adopted at the Extraordinary General Meeting of the Chamber held on Wednesday, the 28th February 1923 *)*

(1) The Electoral Roll of the Chamber shall be prepared by the Secretary, giving particulars regarding the respective trade of each member provided that the name of each member shall be entered under any one of the following trade sections as he may select, viz. (1) Cotton, (2) Piecegoods, (3) Grain and Seeds, (4) General. No member, after once selecting a particular section, shall be allowed to get his name transferred to another section except for special reasons, and the Committee shall decide as to the validity of such reasons, Protests, if any, against the allocation of a member to a particular trade will be examined by a Sub-Committee consisting of two members appointed by the Committee and the Secretary, (whose decision shall be final) on any such date as may be fixed by them. Changes regarding other items in the Electoral Roll shall be notified to the Secretary, within three days of the issue of the circular inviting nomination papers from members desirous of standing as candidates for the election of Port Trustees (as provided in Rule 3) and the Electoral Roll shall be amended accordingly. No vote by proxy shall be allowed.

2. Candidates for the election as Port Trustees, as well as voters should be members of the Chamber, or duly nominated representatives of the members of the Chamber, with their names registered as such in the Register of members of the Chamber and the Electrol Roll provided that candidates must always be Indians.

3. The Committee of the Chamber shall, as and when necessary, invite applications from members for election as Trustees of Port of Bombay and shall fix the date on which the election shall be held provided that there shall be the following allocation of seats to different trade interests :—

Trade.	Seats.
Cotton	1
Piecegoods	1
Grain and Seeds	1
General	2

There may be any number of candidates from each of these sections but only the number allotted to each shall be elected.

4. Any member desirous of standing as a candidate for the election shall signify in writing such his desire to the Secretary seven clear days before the date fixed for the election, and send his nomination signed by his proposer and seconder who must be members of the Chamber stating what particular section he represents provided that he shall be allowed to stand on behalf of that particular section which has been specified against his name in the Electoral Roll under Rule No. 1.

5. If the number of candidates for election for different sections shall be the same as the number of vacancies, the candidates shall be deemed to be duly elected.

6. If the number of candidates for election for different sections shall exceed the number of vacancies, the Secretary shall send the names of such candidates to each member of the Chamber, three clear days before the date fixed for the election, giving particulars regarding the trade which each candidate represents.

7. The Committee of the Chamber shall appoint two scrutineers for the scrutiny of the voting papers at least 7 clear days before the date of the election.

8. On the day of the election, the ballot box will remain open from 10 a.m. to 6 p.m. (S.T.) in the office of the Chamber. Voting papers will be supplied to members of the Chamber in the office of the Chamber and members will fill these up and place them in the ballot-box. The counterfoils of these voting papers shall be first signed by members which shall be retained by the Secretary. The ballot-box will be in charge of the Secretary

or an officer of the Chamber appointed by him. Scrutineers will seal the ballot-box at 6 p.m. (S.T.) on the day of the election and after scrutinising the voting papers shall on the day following along with the Secretary declare the result. No duplicate voting paper will be issued unless the original is returned. Candidates and their agents shall not be allowed in the room in which the ballot-box in placed, excepting for the purpose of registering their own votes.

9. The candidate or, where there is more than one Trustees to be elected for the different sections, the candidates not exceeding the number of Trustees to be elected who has or have the largest number of votes shall be declared duly elected.

10. In the event of an equality of votes preventing the due election of any of the candidates, the members shall vote afresh in the manner above laid down in respect of the candidates having an equal number of votes.

11. In the event of a casual vacancy or temporary absence of a Trustee, the same course shall be followed in the appointment of a substitute.

12. If a candidate is desirous of withdrawing his candidature from the election contest, he should give intimation of his withdrawal to the Secretary so as to reach him at least 48 hours before the day of Election.

13. *In case of difference of opinion or a dispute between the candidates for election the matter should not be taken to the Court but should be referred to the Committee. The candidates should not make personal allegations during their election campaigns.

(*Added at the Quarterly General Meeting of the Chamber held on 27th July 1929).

Rules for the Election by the Chamber of a Representative on the Bombay Municipal Corporation.

(Adopted at the third Quarterly General Meeting of the Chamber held on 11th November 1922)

(1) Candidates for the election as a Corporator of the Bombay Municipality, as well as voter, therefore, should be members of the Chamber or representatives deputed by member-firms or member associations (whose names should be duly notified to the Secretary of the Chamber from time to time) provided that the candidates must always be Indians.

(2) Those members who wish to become candidates in conformity with Rule 1 should send their names to the office of the Chamber twelve clear days before the date fixed for the election together with the names of proposers and seconders.

(3) The Committee of the Chamber shall elect two Scrutineers at least seven clear days before the date fixed for the election.

(4) The Secretary of the Chamber shall circulate the names of candidates at least seven clear days before the date fixed for election.

(5) The Committee shall fix a day (notice thereof shall be given to all the members of the Chamber) on which the ballot-box will be kept open from 10 a. m. to 6. p. m. (S.T.) Voting papers will be provided to the members in the office of the Chamber and the members will be required to place them, duly filled in the ballot-box. The slips containing the signature of the members voting will be placed in another box. Both these boxes will remain in charge of the Secretary or other officer of the Chamber appointed by him. At 6 p.m. (S.T.) on the date of the election the Scrutineers shall seal the ballot-box and on the next day after scrutinising the voting papers declare the result of the election. A fresh voting paper will only be issued in return of the original one. It shall not be open to the candidates or to their agents to enter the room containing the ballot-box except of the purposes of recording their votes, nor will they be permitted to arrange refreshments in connection with the election.

(6) The candidate who gets the highest number of votes, shall be declared duly elected.

(7) In the event of two or more candidates getting an equal number of votes, the election shall be held afresh in the manner above laid down in respect of candidates getting an equal number of votes.

(8) In the case of there being only one candidate, he shall be declared to be duly elected.

(9) In the case of a casual vacancy necessitating the election of a substitute, the election shall be made in the manner above laid down.

*(10) If a candidate is desirous of withdrawing his candidature from the election contest, he should give intimation of his withdrawal to the Secretary, so as to reach him at least 48 hours before the day of Election.

*(11) In case of difference of opinion of a dispute between the candidates for election the matter should not be taken to the Court but should be referred to the Committee. The candidates should not make personal allegations during their election campaigns.

(*Added at the Quarterly General Meeting of the Chamber held on 27th July 1929).

Rules for the Election by the Chamber of a Representative on the Improvement Committee.

(*Adopted at the Special General Meeting of the Chamber held on 27th March* 1926.

1. Candidates for the election as a member of the Bombay Improvement Committee, as well as voters therefor, should be members of the Chamber or representatives deputed by member-firm or members associations (whose names should be duly notified to the Secretary of the Chamber from time to time) provided that the candidates must always be Indians.

Changes, if any, in names of representatives should be reported to the Secretary at least one week before the date of the election.

2. Those members who wish to become candidates in conformity with Rule 1 above should send their names to the office of the Chamber five clear days before the date fixed for the election together with the names of proposers and seconders.

3. The Committee of the Chamber shall elect two Scrutineers at least seven clear days before the date fixed for the election.

4. The Secretary of the Chamber shall circulate the names of candidates at least three clear days before the date fixed for the election.

5. The Committee shall fix a day (notice whereof shall be given to all the members of the Chamber) on which the ballot-box will be kept open from 10 a.m. to 6 p.m. (S.T.) Voting papers will be provided to the members in the office of the Chamber after getting their signatures on the counterfoil. These voting papers will be duly filled in by the members in the ballot-box room and placed in the ballot-box. The ballot-box will remain in charge of the Secretary or other officers of the Chamber appointed by him. At 6 p.m. (S.T.) on the date of the election, the Scrutineers shall seal the ballot-box and on the next day after scrutinising the voting papers declare the result of that election. A fresh voting paper will only be issued on return of the original one. It shall not be open to the candidates or to their agents to enter the room containing the ballot-box except for the purpose of recording their votes, nor will they be permitted to arrange refreshments in connection with the election.

6. The candidate who gets the highest number of votes shall be declared duly elected.

7. In case any two or more candidates shall obtain an equal number of votes, the Chairman or, in his absence the Vice-Chairman shall have a casting vote.

8. In the case of there being only one candidate, he shall be declared to be duly elected.

9. In the case of a casual vacancy necessitating the election of a substitute the election for such period of vacancy shall be made by the Committee by ballot.

10. *If a candidate is desirous of withdrawing his candidature from the election contest, he should give intimation of his withdrawal to the Secretary so as to reach him at least 48 hours before the day of Election.

11.*In case of difference of opinion or a dispute between the candidates for election, the matter should not be taken to the Court but should be referred to the Committee. The candidates should not make personal allegations during their election campaigns.

(*Added at the Quarterly General Meeting of the Chamber held on 27th July 1929).

Rules for the Election of a Representative of the Indian Merchants Chamber to the Senate of the Bombay University under Act IV of 1928.

(*Adopted at the Extraordinary General Meeting of the Chamber held on 12th February* 1929)

1. The list of Members of the Chamber in force one week before the election date shall be considered as the Electoral Roll, copies of which can be had from the Office of the Chamber on payment of Rupee One each. If any changes are required to be made in the name of representatives, etc., in the Roll, information in writing must be given to the Secretary by members one week before the date of election. No intimation received after the due date will be recognised.

2. Candidates for election should be members of the Chamber or representatives deputed by members provided they are always Indians.

3. Any member desiring to stand as a candidate should send his name to the office of the Chamber ten days before the date fixed for election together with the names of a proposer and a seconder, whose names appear on the Electoral Roll.

Any nomination paper which is not in confirmity with these Rules shall be deemed invalid and rejected as such.

4. The Committee of the Chamber shall elect two Scrutineers at least 5 days before the date fixed for election.

5. If there is not more than one candidate for election, the candidate duly nominated shall be declared to be duly elected. If however, there are more candidates than one, the Secretary shall send the names of all candidates to each member of the Chamber seven days before the date fixed for election.

6. The Committee shall fix a day (notice whereof shall be given to all members of the Chamber) on which the ballot-box will be kept open from 10 a.m. (S.T.) to 6 p.m. (S.T.) Voting papers will be provided to members in the office of the Chamber and members will be required to place them duly filled in the ballot-box. Counterfoils of the voting papers, which should be placed in another box, should be first signed by the voters. Both these boxes will remain in charge of the Secretary or other officer of the Chamber appointed by him. The Scrutineers will seal the ballot-box at 6 p.m. (S.T.) on the day of election, and shall on the next working day after scrutinising the voting papers, with the Secretary, forthwith declare the result. No Duplicate voting paper will be issued unless the original is returned.

7. Candidates or their agents shall not be allowed in the room in which the ballot-box is placed, except for the purpose of registering their own votes, and not more than one voter at a time shall be allowed in the room.

8. A candidate getting the highest number of votes shall be declared duly elected. In the event of two or more candidates getting the highest number of equal votes, the election shall be

held afresh in the manner above laid down in respect of only those candidates who get highest number of equal votes, within five days of the declaration of the result.

If of the candidates who have secured an equal number of votes all but one withdraw from the contest and intimate in writing such withdrawal to the Secretary not less than two clear days before such a fresh election, the remaining candidate will be declared to be duly elected.

9. If a candidate is desirous of withdrawing his candidature from the election contest he should give intimation of his withdrawal to the Secretary so as to reach him at least 48 hours before the day of Election.

10. *In case of difference of opinion or a dispute between the candidates for election the matter should not be taken to the Court but should be referred to the Committee. The candidates should not make personal allegations during their election campaigns.

(*Added at the Quarterly General Meeting of the Chamber held on 27th July 1929.)

CHAIRMEN OF THE INDIAN MERCHANTS' CHAMBER.

1907—13 The Hon. Sir Manmohandas Ramji.
1913—14 Sir Purshotamdas Thakurdas, C.I.E., M.B.E.
1914—15 Sir Fazulbhoy Currimbhoy, C.B.E.
1915—16 The Hon. Sir Dinshaw Edulji Wacha.
1916—17 Sir Lallubhai Samaldas, C.I.E.
1917—18 Late Sir Vithaldas D. Thakersey.
1918—19 Sir Chunilal V. Mehta, K.C.S.I.
1919—20 Mr. Jehangir Bomanji Petit.
1920—21 Mr. Lalji Naranji.
1922 Sir Purshotamdas Thakurdas, C.I.E., M.B.E.
1923 Sir Fazulbhoy Currimbhoy, C.B.E. (From 24-2-23 to 3-9-23)
Mr. Devidas Madhowji Thakersey (From 4-9-23to 25-1-24

1924 The Hon. Sir Manmohandas Ramji.
1925 The Hon. Sir Phiroze C. Sethna, O.B.E.
1926 Mr. Lalji Naranji.
1927 Mr. Walchand Hirachand.
1928 Sir Shapurji B. Billimoria, Kt., M.B.E., from 31-1-28 to 20-3-28
Mr. H. P. Mody from 30-3-28 to 17-7-28 and
Mr. L. R. Tairsee from 28-7-28.
1929 Mr L. R. Tairsee.
1930 Mr. Hooseinbhoy A. Lalljee.
1931 Sir Chunilal V. Mehta, K.C.S.I.
1932 Mr. B. N. Karanjia till November.
Mr. Mathuradas C. Matani November to January.
1933 Sir Manmohandas Ramji

SECRETARY :— Mr. J. K. Mehta, M. A.
Assistant Secretaries :—Mr. A. H. Maru, Mr A. C. Ramalingam.

CHAMBER'S REPRESENTATIVES ON PUBLIC BODIES.

Representatives on the Board of Trustees of the Port Trust.

1. Sir Purshotamdas Thakurdas, C.I.E., M.B.E., (Cotton.)
2. Mr. Gordhandas N. Morarjee (Piecegoods.)
3. Mr. Ratilal Gandhi (Grain and Seeds.)
4. Mr. A. D. Shroff (General.)
5. Mr. Laxmidas R. Tairsee (General.)

Representative on the Bombay Municipal Corporation.

Raja Bahadur Govindlal Shivlal.

Representative on the Improvement Committee.

Mr. E. R. Hirjibehedin.

Representative on the Advisory Committee of the Bombay Development Department.

Mr. Manu Subedar.

Representative on the Indian Central Cotton Committee.

Mr. Chunilal B. Mehta.

Representative on the advisory Committee of the Royal Institute of Science in Bombay.

Mr. Kapilram H. Vakil.

Representatives on the Local Advisory Committee of Railways.

G. I. P. Railway :—

Mr. Gordhandas G. Morarjee.

B. B. & C. I. Railway :—

Mr. R. P. Masani.

Representatives on the Panel of the Railway Rates Advisory Committee.

1. Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E.
2. Sir Manmohandas Ramji, Kt.
3. The Hon'ble Sir Phiroze C. Sethna, O.B.E.
4. Mr. Manu Subedar.
5. Mr. Mathuradas Vissonji.

Representative on the Governing Body of the Indian Mercantile Marine Training Ship 'Dufferin'.

Mr. M. A. Master.

Representative on the Senate of the Bombay University

Mr. Nagindas T. Master.

Representative on the Traffic Control Committee (Bombay)

Mr. L. R. Tairsee.

Representative on the Bombay Road Board.

Mr. K. S. R. Iyer.

Representative on the Indian Sailors Home Committee.

Mr. M. A. Master.

Representative on the Board of the Bombay Telephone Co.

Hon'ble Sir Phiroze C. Sethna.

MANAGING COMMITTEE FOR THE YEAR 1934.

President.

Seth Mathuradas Vissanji Khimji.

Vice-President.

Manu Subedar.

Members.

1. Mr J. C. Setalvad
2. Mr. A. D. Shroff
3. Seth Lalji Naranji
4. Seth Mathuradas Canji Matani
5. Prof. Khushal T. Shah
6. Mr. Jal A. D. Naoroji
7. Mr. Bhavanji A. Khimji
8. Mr. Velji Lakhamsi Napoo
9. Prof. Sohrab R. Davar
10. Mr. Vithaldas D. Govindji
11. Mr. M. C. Ghia
12. Mr. Dhirajlal C. Modi

13. Mr. Amritlal Kalidas
14. Mr. Nandlal M. Bhuta
15. Mr. Mangaldas B. Mehta
16. Mr. E. R. Hirjibehedin
17. Mr. Sarabhai Prataprai
18. Seth Walchand Hirachand
19. Mr. S. N. Pochkhanawalla
20. Mr. Behram N. Karanjia
21. Mr. Keshavprasad C. Desai
22. Mr. Thakorelal H. Vakil
23. Mr. Hooseinbhoy A. Lalljee

Co-opted.

1. Sir Cowasji Jehangir (Jr.) K.C.S.I.
2. Mr. Rahimtoola M. Chinoy
3. Mr. Lachhmandas H. Daga
4. The Bombay Shroff Association (Mr. Mohanlal A. Parekh)
5. The Sugar Merchants Association (Mr. Jagjivan Ujamshi Mulji)
6. The Maharashtra Chamber of Commerce (Mr. M. L. Dahanukar)
7. The Indian Match Manufacturers Association (Mr. R. N. Futehally)
8. The Bombay Bullion Exchange Ltd. (Mr. Chunilal B. Mehta)
9. The Bombay Grain Dealers Association (Mr. Khimji M. Bhujpuria)
10. The Bombay Rice Merchants Association (Mr. Fakhirmahomed C. Sajun)
11. The Kariana Merchants Association (Mr. D. P. Tata)
12. The Pearl Merchants & Jewellers Association (Mr. Gulabchand Nagindhand)
13. The Swadeshi Market Committee (Mrs. Lilavati K. Munshi)

Ex-Officio.

1. Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E., (Bombay Port Trust)
2. Mr. L. R. Tairsee (Bombay Port Trust)

3. Mr. Ratilal M. Gandhi (Bombay Port Trust)
4. Mr. Gordhandas G. Morarji (Bombay Port Trust & G. I. P. Rly., Local Advisory Committee)
5. Raja Bahadur Govindlal Shivlal (Bombay Municipal Corporation)
6. Mr. Nagindas T. Master (Bombay University Senate)
7. Mr. Kapilram H. Vakil (Advisory Committee of the Royal Institute of Science)
8. Mr. R. P. Masani (B. B. & C. I. Rly. Local Advisory Committee)
9. Mr. M. A. Master (Governing Body of the I. M. M. T. S. "Dufferin ")
10. Mr. K. S. Ramachandra Iyer (Bombay Road Board)
11. Mr. Chunilal B. Mehta (Indian Central Cotton Committee)

Mr. J. K. Mehta, M. A. (Secretary).
Mr. A. H. Maru, B. Sc. (Nat.) Asst. Secretary.
Mr. A. C. Ramalingam ,,

LIST OF JOURNALS AND PERIODICALS RECEIVED IN THE LIBRARY OF THE INDIAN MERCHANTS' CHAMBER (1933)

Bi-Annual :—

*1. The Indian Cadet. (Journal of the Indian Mercantile Marine Training Ship "Dufferin").

Quarterly:—

1. Empire Cotton Growing Review.
*2. Vishva Bharati.
3. Swedish Economic Review.
4. Finish Trade Review.

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* Subscribed for by the Chamber.

Bi-monthly:—

1. 'Triveni.
2. The Yokohama Trade Review.
3. Industrial Safety Survey. (International Labour Office)

Monthly:—

*1. Official Journal of the League of Nations.
*2. Monthly Summary of the Proceedings of the League of Nations.
*3. Monthly Bulletin of Statistics issued by the League of Nations.
4. International Conciliation.
5. Monthly Journal of the Liverpool Chamber of Commerce.
6. Monthly Journal of the Manchester Chamber of Commerce.
7. Monthly Journal of the Sheffield Chamber of Commerce.
8. Monthly Journal of the Bradford Chamber of Commerce.
9. Monthly Journal of the Nottingham Chamber of Commerce.
10. Northamptonshire Journal of Commerce.
11. Monthly Report on Current Economic Conditions in Japan issued by the Tokyo Chamber of Commerce.
*12. National Geographic Magazine.
13. Indian Insurance.
14. Commercial India.
15. Mercantile Guardian.
*16. International Labour Review.
17. Bombay Labour Gazette.
18. Engineering Progress.
19. British Industries.
20. Monthly Sea-borne Trade Returns of British India.
21. Monthly Returns of the Coasting Trade of British India.
22. Monthly Statistics of Cotton Spinning & Weaving in Indian Mills.
23. Trade at Stations adjacent to Land Frontier Routes.
24. Exports of Indian Artware and Sportsgoods.
25. Kathiawar Trade Statistics.
26. Raw Cotton Trade Statistics.

*Subscribed for by the Chamber

27. Joint Stock Companies.
28. Statistics of Import and Export Trade in Cotton Yarn and Piecegoods of British India (Issued by the Bombay Millowners' Association.)
29. Statistics of Import & Export Trade in Cotton Yarn & Piecegoods of the Bombay Presidency excluding Sind, (Issued by the Bombay Millowners' Association.)
*30. Modern Review.
*31. Asia.
32. American Exporter.
33. The German Industrial Echo : Exporters' & Importers' Journal.
34. German Exporter.
35. Bendien's International Review.
36. Belgium Abroad.
*37. Bulletin of the International Management Institute.
38. Monthly Summary of the Foreign Commerce of the United States.
39. East and West Trade Developer.
40. Swedish Exporter.
41. Indian Concrete Journal.
42. Insurance & Finance Review.
43. London Chamber of Commerce Journal.
44. Monthly Review of the Lloyds Bank.
45. Monthly Review of the National City Bank of New York.
46. Monthly Review of the Barclays Bank.
47. Monthly Review of the Midland Bank.
48. Monthly Review of the Westminister Bank.
49. "Index"— (Svenska. Handelsbanken, Stockholm)
50. World Trade (International Chamber.)

Weekly :—

*1. Economist.
*2. Statist.
*3. Indian Finance.
*4. Manchester Guardian Commercial.
5. Board of Trade Journal.

*Subscribed for by the Chamber

6. Indian Trade Journal.
7. Commerce Reports (U. S. A.)
8. Calcutta Commercial Gazette.
*9. Industrial and Labour Information.
10. Nation (U. S. A.)
11. Bombay Government Gazette.
*12. Gazette of India.
*13. New Leader.
14. Servant of India.
15. Financial News.

Occasional :—

1. Legislative Assembly Debate.
2. Council of State Debates.
3. Bombay Legislative Council Debates.
*4. Burma Legislative Council Debates.
5. Indian Tea Statistics.
6. Indian Coffee Statistics.
7. Indian Agricultural Statistics.
8. Wholesale Prices of certain Staple Articles of Trade at selected Stations in India.

Gujarati Periodicals :—

1. Sahitya.
2. Buddhi Prakash.
3. Jnnan Vardhak.
4. Khetivadi Vignan.
5. Bhagyodaya
6. Vaidya Kalpataru.
7. Digamber Jain.
8. Gujarati Punch. (Weekly).

The 26th Annual General Meeting of the Indian Merchants Chamber was held on Saturday, the 27th January 1934 at 3-0 p. m. (S. T.) at the office of the Chamber when the following members were present :

*Subscribed for by the Chamber

Seth Mathuradas Vissanji

Mr. Manu Subedar
,, Mathuradas C. Matani
,, Purshotam Popatlal
,, Ranchoddas C. Shroff
,, M. A. J. Noble
,, Mohanlal A. Parekh
,, K. S. Ramachandra Iyer
,, Sarabhai Pratapraí
,, Chatharbhoj Morarji
,, A. D. Shroff
,, J. C. Setalvad
,, R. N. Bapasola

Mrs. Lilavati K. Munshi

Mr. Gordhandas G. Morarji
,, Vallabhdas Ranchordas
,, Nagindas G. Shah

Prof. Sohrab R. Davar.

Mr. Keshavprasad C. Desai
,, Bhivanji A. Khimji
,, Jal A. D. Naoroji

Raja Bahadur Govindlal Shivlal

Mr. Dharamdas Hargovandas
,, B. M. Bhargav
,, Behram N. Karanjia
,, H. B. Kotak
,, J. J. Kapadia
,, N. M. Sampat
,, Hassanali Abdulcarim
,, Karsondas Vissanji
,, Jamnadas H. Sanghvi
,, Ratilal M. Gandhi
,, Rattansey Hirji
,, Prataprai Manmohandas
,, Morarji Hemraj
,, E. R. Hirjibehedin
,, Dhirajlal C. Modi
,, Bhagwandas Goverdhandas

Mr. J. P. Mehta
,, Harilal N. Contractor
,, Madhavsinh Kanji
,, Dwarkadas Joogalkishore
,, Bhogilal Leharchand
,, V. N. Patruni

Seth Mathuradas Vissanji, vice-President, took the chair.

Seth Mathuradas Vissanji in moving the adoption of the report of the Committee and the audited statement of accounts made the following speech:—

Gentlemen,

It gives me great pleasure to propose the adoption of the 26th Annual Report which has already been circulated.

Before I deal with some of the important items in the Report or of general commercial interest, I should like to thank you all for the confidence you have shown in me by unanimously electing me as President for the new official year of the Chamber. In the ordinary course Sir Manmohandas Ramji, President for last year, would have presided at this meeting, but unfortunately he sent in his resignation as a protest against the resolution of theCommittee re: the Lees-Mody Pact. The Committee were put to the sad necessity of accepting this resignation but while doing so put it on record that

> "The Committee of the Chamber accept with deepest regret resignation from Sir Manmohandas Ramji his Presidentship of the Chamber and put on record their sense of the great service rendered by him when he accepted the Presidentship last year in the interest of the Chamber in spite of his age and health and of the able constitutional and impartial manner in which he guided the deliberations of the Committee during his Presidentship".

I cannot speak too highly of the services rendered by Sir Manmohandas Ramji to the Chamber in previous years as well as last year. Each and every member of the Committee appreciated the way in which he was conducting the meetings.

I may be allowed to point out that the resolution which the Committee passed regarding the Lees-Mody Pact was a matter of duty with them. Even our Millowner friends will admit that there are two views on the step they took and they need not take it as a personal censure, because it was never meant, if the Committee of the Chamber take a view which is opposed to theirs. I admit that they are the best judges of their own interests and must have examined the question closely. We have, however, rightly or wrongly believed that the pact is not in the interests of the country. The Chamber is a public institution and as such it cannot shirk its duty to express opinion on such matters. I hope that the millowners will take this resolution in the spirit in which it was passed, and will not consider that a sister association went out of its way to censure them.

There is another fact also which has been much in the public eye, I mean the Indo-Japanese Agreement. This Agreement however, is between the two Governments, Indian and Japanese, and differs from the Lees-Mody Pact. While speaking on this I am labouring under certain disadvantages. Your Committee have not yet considered it and even the Millowners Association, so far as I know, have not officially published their views. It appears, however, from what study I have been able to give to this question and from some views which have been published that it will be beneficial to a section of textile interests while it may not be so to other sections of the same; even those textile interests which stand to gain will not be able to derive benefit therefrom for sometime to come till the heavy stocks are appreciably reduced.

There is no doubt that it will be good for cotton cultivators and this should mean something to a country whose chief wealth is agriculture.

Provincialism *versus* Nationalism.

I hope I need not make any excuse for referring in my speech to the existence of provincial feelings even with regard to commerce and industries. There are communal feelings and we have learnt

to our cost what a force for evil these have become not only with regard to our political progress but even with regard to our trade and industries. It is now no secret that in 1927 voting on the ratio question in the Assembly was largely influenced by communal considerations. This time, however, the communal consideration was not so much to the fore with regard to the Reserve Bank Bill. It was the provincial feelings which made themselves manifest and voting both in the Committee stage and in the Assembly stage was to a certain extent deflected by provincial consideration. Both the Currency League of India and the Indian Merchants' Chamber tried their best to undo much of this evil, and myself and Mr. A. D. Shroff went on behalf of the League to Calcutta where a special Conference was held for removing misunderstandings. It was a great pity that an eminent scientist and patriot like Dr. Sir P.C. Ray should have lent himself to the narrow provincial view that a lower exchange ratio would benefit only Bombay. Fortunately men like Dr. Tagore and Dr. Bidhan Chandra Roy came to the rescue and told their brethren of Bengal that with regard to issues which were national in character there could not be, and should not be any provincial views and that provincialism would be the greatest impediment in the way of national progress. I have to acknowledge the great help rendered by my friend Mr. Nalini Ranjan Sarker, President of the Federation of Indian Chambers of Commerce and Industry and the Bengal National Chamber, who worked ceaselessly and unremittingly and is even now doing so for bringing about a better feeling between Bombay and Bengal. It is not only with regard to several other issues that the provincial considerations are likely to be exploited by interested parties for driving a wedge in the national forces, and it behoves all of us to see that we do not allow this new cancer to have its growth as we have already allowed the cancer of communalism which is sapping away the vitality of the nation as a whole.

Development of trade and industries is a national concern and in such a development the whole country stands to benefit and not any particular province or a particular community. Our forces for the development of trade and industries are naturally weak because of the existence of foreign rule and we are but helping the reactionary tendencies against us if we do not all pull in the same direction but pull in different ways.

White Paper.

One is expected to refer to the White Paper in any important speech now-a-days. I am not much in love with the White Paper for more reasons than one. Recommendations of the White Paper are themselves so retrograde and hedged round with safeguards and restrictions that it is anomalous to say that it takes India forward in her political progress. Even against such proposals there is a serried phalanx of opposition in Great Britain, though as recently a well-known political leader put it, there was so very little in the White Paper that it mattered little whether Sir Samuel Hoare carried the day or Winston Churchill carried the day. Over and above this the White Paper is, from the standpoint of National Economy and finance, very objectionable, as it is expected to entail a huge burden of expenditure on the already overburdened country. We are overtaxed now and our taxable capacity has been reached long since. Putting into operation the White Paper will mean more taxation and Heaven only knows which sources will be tapped for this purpose.

I fear that I shall be deemed a pessimist by some amongst you, but as a businessman I want to face realities. Your new Committee will have to consider the Report of the Joint Parliamentary Committee and possibly also the Bill prepared on the basis of the same. Personally I would welcome an All-Parties Conference to consider the White Paper at present, though I admit thre are serious difficulties in the way. If there are sections who think that the White Paper cannot be improved upon, there are other sections who think that the only place for it is the Waste Paper Basket and there are communalists who want to get some communal advantage through an All-Parties Conference; so it would be better to let things as they are, rather than rake up again an orgy of communalism, and create a good deal of bitterness among politically-minded people. An All Parties Conference, though a good idea, would not be a success if people went there with mental reservations or with anything less than the desire to serve the country.

Protection to Indian Steel Industry.

You are aware that the question of extending protection to the Indian Steel Industry is at present being considered by the

Tariff Board. Your Committee, in submitting their views to the Board, expressed the opinion that adequate protection to the Indian Steel Industry was a very important matter for the country. If the industry got an adequate measure of protection, which was asked for, it should be in such a position as to withstand foreign competition without any undue burden on the consumer. I need hardly stress the vital fact that the Steel Industry is an essential key industry of the country and as such requires to be established on a firm and permanent basis by means of an adequate measure of protection.

In this connection, I would like to draw your attention to the demands made by the British Steel Industry, in their memorandum submitted to the Tariff Board. Among others they have demanded free entry of iron and steel products of the United Kingdom manufacture into India, and increase of the existing duty on non-British products. They go even further and suggest that the Indian market should be divided on a geographical basis between the Indian and the United Kingdom producers, respectively. These are really very astounding demands on the part of the British manufacturers. India is committed to an irrevocable policy of protecting her industries to the fullest possible extent, and any demands coming from whatever outside source which, may tend to the whittling down of this policy, stand condemned and should be stoutly opposed. Let us hope that the Tariff Board will bear this fundamental aspect of the question, and will not allow any concessions to the British Steel Industry in the matter of protection to the Indian Steel Industry.

Diversion of Trade from Bombay.

I had referred, in my speeches at the First and Second Quarterly General Meetings of the Chamber, to the position of the Port of Bombay vis-a-vis the increasing diversion of trade to Karachi and other ports in Kathiawar. It is a pity that this most vital question affecting the prosperity of the Port of Bombay has not received any serious consideration at the hands of the Government and Local Authorities, such as the Port Trust. This is a question on which both the European and Indian commercial

communities are unanimous and they have, time and again during the last decade, impressed upon the Local Government the urgent necessity of instituting an Enquiry into the various causes of such a diversion and suggesting remedial measures to arrest the same. Since the increasing competition from the various ports, the Government of India have also suffered losses in Customs revenue. I do not desire to go into details at this stage about thisimportant matter, but merely wish once more to emphasise the urgent necessity of moving in the matter. It is hoped that the Government of India, the Local Government and the Local Authorities will bestir themselves in time. I have no doubt that the local commercial community both European and Indian, will cooperate wholeheartedly with the authorities in devising such steps as might, at any rate, arrest the increasing diversion of trade from Bombay and thus restore the premier position of the port of Bombay.

Economic Survey of India.

Gentlemen, you will recall that towards the end of 1930 the Government of India requested the League of Nations to send an expert to India with a view to prepare a scheme for the establishment of an Economic Advisory Council in this country. Consequently, Sir Arthur Salter visited India and submitted a very comprehensive scheme to the Government of India for the institution of such an Advisory Council. The need for collection of reliable economic and industrial statistics and scientific interpretation of the same has never been greater in India than in present times. In the various countries of Europe and other parts of the world, steps have long been taken in this direction. For example, in Germany the Economic Advisory Council has been rendering yeoman service not only to the Government of that country but also to various private business firms and industrial concerns. Unfortunately in our country the Government of India have been apathetic to the needs of the country at large in the matter of such important information. We do not yet know what became of the Salter scheme. It is, therefore, refreshing to know that the Government of India have recently invited two experts from Great Britain with regard to the proposed Economic Survey of the country. Such a survey was long overdue and let us hope that the same

would lead to the establishment of an efficient servicewhich would give the commercial community and the public in general the much needed reliable economic and industrial data.

Currency & Exchange.

With the ringing down of the curtain in the Legislative Assembly on the ratio clauses of the Reserve Bank Bill, there is a tendency in certain quarters to consider the question of the devaluation of the rupee as a settled fact, at any rate, for sometime to come. I take this opportunity to say that the Indian commercial community do not and cannot take the vote of the Legislature in any such light. This question can be considered as settled only when it is settled to the public satisfaction. Any other settlement of it will, sooner or later, perhaps sooner than later, come to be unsettled. I shall consider this adverse vote of the Assembly as a stimulant to give us the necessary impetus in our fight for a proper currency and exchange policy.

Coming to the speech which was made by the Hon. Finance Member in winding up the debate on the ratio clauses of the Reserve Bank Bill, I must confess that I was not a little disappointed to see that, excepting a reiteration of the usual arguments, arguments tending to set the debtor against the creditor, the agriculturist against the landlord, the fixed wage-earner against the industrialist, there was nothing new on which the Finance Member could have claimed to have treated this question rationally.

In discussing the case for devaluation on its merits the Finance Member clinched the issue by saying that the devaluation of the currency could not increase the wealth of the country, but it merely altered its distribution and that, therefore, while serving some people's purpose, it was a distinct dis-service to others. How did Government happen to forget this principle when in 1927 the rupee was over-valued ? At least then they had no qualms of conscience in disturbing the distribution of wealth by artificial valuation of the rupee. Having done that it now comes with ill-grace from the spokesman of the same Government that an alteratoin of the existing distribution, perhaps an alteration meant more to

restore the old distribution, will not be morally justifiable. I do not want to labour this point further.

The Finance Member resorted to the usual game of dividing the fixed wage-earner from the industrialist, a bogey which is not infrequently used in connection with this controversy. This is a half-truth which is more dangerous than untruth. Let us examine what the actual effects have been for the last 3 or 4 years. How can it be argued that the fixed salary earners have benefitted by the higher ratio, when unemployment had increased and retrenchment and salary cut are the order of the day? With the shattering of the general economic condition of the country, it is forgotten that 'fixed' salaries and incomes are apt to get 'un-fixed'. Therefore, as I observed in the beginning, examined in the cold light of actual experience, this is nothing but a half-truth. The general level of salaries has gone down considerably certainly because of the deterioration in the economic fabric of the society. Therefore even those who are supposed to earn fixed salaries have not benefitted at all by the maintenance of the rupee at this artificial level. But I must frankly confess that it has certainly benefitted one class of salary earners, viz: the civil service men and other Government servants; excepting for the temporary cut in their salaries, their income has remained fixed, and perhaps will remain fixed, with the additional time scale, in spite of the worst form of depression.

Before I conclude I should like to refer to the terrible calamity which has overtaken this country in the shape of the earth-quake. Bihar and Orissa has suffered tremendously and the heart of the whole country is bleeding at the loss of thousands of lives and immense property in this unhappy province which had only recently been visited by a visitation of nature in another form, viz: floods. All can render help in this calamity, some by personal service, some by money and so on. Business men can most readily and efficiently help by contributions which will be welcome to alleviate the suffering and distress. A very strong Committee has been formed at the recent meeting of the Mayor and I appeal to you all to contribute your mite to that Committee.

Mr. Manu Subedar in seconding the proposition for the adoption of the report spoke as under :

Gentlemen,

I desire to thank the members of the Chamber for electing me once again to the office of Vice-President, and to assure them that I shall render all the service that I can to the cause of the Chamber and of the Indian commercial community. The country is passing through a very difficult time and the promise of the revival of trade and industry cannot be said to have materialised during 1933. The topics, in which, as merchants, we are primarily interested, are, the volume of turnover, the expansion of new enterprise, the level of taxation, the reduction of freight rates and better organisation of joint stock and other enterprise. It has been now amply demonstrated that the prosperity of trade depends upon the prosperity of the primary producer. In spite of the fact that, representatives of the Government of India, who went to the World Economic Conference, declared that the main aim of Government of India, in their financial policy, was to raise the prices of primary commodities, it cannot be claimed that such a rise has been brought about. The commodity prices are, in many cases, at the level at which they were before the war, in spite of increased expenditure and taxation and the lot of the primary producer leave much room for improvement. Until this improvement is brought about his purchasing power with regard to commodities made locally or imported, is seriously restricted. At many places in the Empire, particularly in South Africa and Australia, steps have been taken in this direction by the abandonment of a high exchange. In the United Kingdom itself, it has been claimed that the abandonment of the gold standard improved the position not only of British agriculture, but of the export trades. Japan and the United States—outside the Empire—have also shown their anxiety to prevent wholesale liquidations and displacements of the primary producer. I do not suggest that Government of India should rush in with any drastic manipulation but, what commercial opinion in Bombay must deplore, is, that no steps appear to have been taken to effect this revival leading to a gradual rise of prices of agricultural produce,

While the consumption of goods in India is being restricted in this manner, the competition offered by imported articles in the Indian market to locally made goods has become more and more serious. If highly industrialised countries, like the United Kingdom, are frightened of the consequences of Japanese competition, is there any surprise that industry in India of every description must feel great concern and apprehension as to the future ? Though delayed, let us hope, that the action taken by Government of India will grant adequate protection to the industries concerned and will not have the onesided effect of merely adding to the volume of customs revenue, without safeguarding nascent enterprise.

Industry in India has expanded, of late years, particularly in the matter of sugar. In other directions, many foreign concerns have been tempted to open factories inside the Indian customs line, but the outlook for industry as a whole is by no means very satisfactory. In volume and in the amount of Indian capital, which has been invested therein, the first place is occupied by the textile industry. It is too early to prognosticate the full effects on the Indian textile industry of the Indo-Japanese pact. Such effect will depend on, whether the Indian market is expanding in volume, or whether it is shrinking. It will, further, depend on the price, at which Japanese goods are sought to be landed. This Chamber gave its warm support to the plea for protection of the textile industry, both against Lancashire and Japan, and I hope that the Tariff Board report, about to be published, will make provision for such ample protection. At the same time, in order that Indian industry may withstand competition, it is essential that there should be rationalisation, scrapping of old plant, elimination of all wasteful practices, and some reform of the managing agency system, which absorbs too much of the profits of the concern, and in some cases even a part of the capital assets where no profits are made.

While numerous small factories, mostly proprietory, have sprung up at various places in India, solid progress to industry cannot be secured except on the basis of joint stock enterprise. Every malpractice in the matter of company management adds to the atmosphere of diffidence on the part of the investor. Ex-

perience in India in this direction has been unfortunate in many ways, largely on account of the ignorance of the shareholder of his own rights. While the Shareholders Association of Bombay is doing good work in this direction, the time has come for this Chamber to reiterate its request to Government for a drastic revision of the Indian Companies Act of 1913. This act was passed on the basis of the English law and practice, and, while in the United Kingdom a new Act has been passed in 1929, making many good changes, it is unfortunate that Government of India have not yet taken in hand the task of revising the Indian Companies Act. In order to ensure healthy growth of enterprise, I consider it very urgent matter, that the Indian Companies Act should be revised. This Chamber will doubtless offer its assistance to Government in this direction. I am sure, I am voicing the general sentiment of the commercial community when I say that, Government should not put off the question of the revision of the Indian Companies any longer.

There is another direction, in which I should like, on behalf of this Chamber, to draw the attention of authorities in Delhi, and, that is, reform in banking. The Central Banking Committee, which cost this country a big sum, submitted its report two and a half years ago. The only direction, in which Government of India appear to have taken action on that very important report, is the establishment of the Reserve Bank. Now that the bill has been passed, I hope that all controversy in the matter of the Reserve Bank will be laid at rest, and that every one will do his best to secure for the Reserve Bank of India unquestioned authority and universal confidence. While the deliberations were going on, suggestions did emanate from the Indian commercial community in many directions to secure this or that change in the Bill, but now, I am sure, the time has come for giving a tria to the scheme, which has been passed, in the most helpful spirit of cooperation, because, in the Reserve Bank will be concentrated so many interests affecting the life of the whole community. But the Central Banking Committee examined other fields, where banking service was deficient, or where conditions existed, which prevented the growth of Indian banking. They suggested changes in the form of bank balance sheets. They suggested a new bank-

ing Act for the regulation of banking companies. For the finance of agriculture and industry, they have put forward very valuable programmes. Even if the authorities did not agree with the Minority Report, it seems inexplicable that they should have failed to take any action on the principal recommendations of the Majority Report.

There is another reform for which businessmen have been asking for some years, and, that is a revision of the Indian Railways Act. Experience has disclosed the weakness of this Act in so many directions, exposing the public to irresponsible action on the part of the railway authorities. The fact that the railways are owned and managed by the State in many cases, makes it even more imperative that the Act defining the obligations of the carrier, should be clear and that the discontent of merchants in respect of these obligations should be removed. Freight rates, that were raised under post-war conditions, have not been brought down as a whole in India, and the machinery for fixing the classification and for adjusting special rates is at present not satisfactory to the business community. This Chamber voiced the demand of the public in asking for a Rates Tribunal, which should be an independent body, capable of deciding finally all issues on the question of rates. Instead of that, we have an Advisory Body, that cannot be said to have answered the purpose. A reform in the constitution of this body and a widening of its powers is urgently needed.

India has followed in the wake of England in the adoption of a policy of cheap money with a view to encourage enterprise. I am reminded of Lord Morley's fur-coat theory. Cheap money has had a much bigger effect in the United Kingdom than it has had in India, and, if this was the principal measure for bringing about a revival of trade, it must be regarded as singularly inapt and inadequate. It is usual for a conference of businessmen to complain of excessive taxes, but the time has come when, in the interests of Government themselves, this matter deserves closer scrutiny than it has received hitherto. What the business community wants, is the removal of the new surcharges, both in the matter of customs and income tax. In regard to these, I would remind the financial authorities of Government of India that

they have to face the law of diminishing returns, and the better method is to cut down public expenditure to allow the community to recuperate and then to seek a larger revenue. I would like to mention, in passing, that, in our opinion, the so-called commercial departments of Government of India, viz : Railways and Posts & Telegraphs, are not being run on commercial lines. Those of us, who view them from the outside, see many leakages and many items in which decisions are crude and unbusinesslike, involving great loss to Government. These so-called commercial enterprises are untouched by any business judgment on the part of businessmen. The Commercial community would like greater association of businessmen with these large public enterprises than hitherto, and I am sure, Government would have everything to gain from such cooperation and advice, as they can secure through independent businessmen. In particular, I am sorry to note that the attempts at the curtailment of expenditure and for securing economies, both on the Railways and in the Posts & Telegraphs Department, that have been made either through imported experts, or through departmental committees, did not have the association of any independent businessmen. It is not in a spirit of censoriousness that I am making this criticism. I am doing it in the spirit of constructive co-operation, which, we are told over and over again, is expected from us.

We would congratulate the Government of Bombay on the action that they have taken so far in carrying out the recommendations of the Reorganisation Committee, but, in many directions much still remains to be done. The Government of Bombay have added one new tax after the other within the last few years, and each time they have declared that it would be temporary and that it would be withdrawn as soon as times improved. If a case is to be established for removing the injustice that has been done to Bombay by the Meston Settlement, a much greater effort is required from the Government of Bombay in retrenchment. Bombay ought to set an example to the rest of the country in the management of finances, and, in particular, should stop suggesting new taxes and renewing some of the old ones, which, they promised, were levied temporarily. I hope the new Governor will signalise his tenure by an authoritative enquiry into the causes, by which, apart from the general eco-

nomic depression, the trade and industry of Bombay have suffered. A small committee of business interests would soon lay their fingers on the several causes. In some cases, the damage has been irretrievable and due to the natural economic expansion of the other areas and ports, but, to a large extent, it would be discovered that the position is not beyond repair, if every one had his heart in the effort for rehabilitation. Many civic and social interests depend upon the prosperity of trade, and, with all humility, I would suggest that Government should not put off such an enquiry any longer.

Then followed a general discussion in which Messrs. Sarabhai Pratapraj, Jamnadas H. Sanghvi and M. A. J. Noble participated.

The proposition for the adoption of the Report and the audited statement of accounts was put to the vote and carried.

The result of the election of the office bearers for the year 1934 was read and recorded.

Mr. Vithaldas D. Govindji moved that Messrs. Devidas Vithaldas & Co., be appointed Hon. Auditors for the year 1934 and that their remuneration be fixed at Rs. 100/–. The same was seconded by Mr. Mohanlal A. Parekh and being put to the vote was carried unanimously.

Mr. Keshavprasad C. Desai then moved the following resolution, due notice of which had been given

> " that the admission fee for ordinary members be fixed at Rs 25/– with consequential amendments to be incorporated in the rules".

The same was seconded by Mr. E. R. Hirjibehedin.

After some discussion Mr. Jagmohandas J. Kapadia moved that the matter be referred to the Executive Committee for consideration and report at the next quarterly general meeting. The same was seconded by Mr. Sarabhai Pratapraj. The amendment when put to the vote was carried by 22 votes to 6. The same being put to the vote as substantive proposition was carried.

With a vote of thanks to the Chair proposed by Mr. A. D. Shroff and seconded by Mr. Sarabhai Pratapraj the meeting then terminated.

REPORT OF THE COMMITTEE

OF

THE INDIAN MERCHANTS' CHAMBER

For the year 1933 *presented to the Annual General Meeting of the Chamber held on 27th January* 1934.

Your Committee have pleasure in presenting the 26th Annual Report of your Chamber. During the course of the year 48 Committee Meetings were held, the work done being of a varied and important nature.

The principal subjects dealt with by your Committee related to the following main heads:—

(1) Transport and Communications, (2) Finance, Tariffs and Taxations, (3) Trade, Industrial and Labour Legislation, (4) General Trade and Industry and (5) General.

I. TRANSPORT & COMMUNICATIONS.

Issue of Bills of Lading without the Production of Mate's Receipt.

The Government of India, Department of Commerce, invited the views of the Chamber on the suggestion made by the Federation of Indian Chambers of Commerce and Industry that legislation should be undertaken to provide that Bills of Lading should be issued only on production of the Mate's Receipt. The Federation of Indian Chambers of Commerce and Industry, in a representation to Government, drew their (Government) attention to the position of an intermediary—between the first seller of goods and the ultimate shipper—who, as unpaid vendor was, as they (Federation) said, liable to suffer serious loss in the event of the shipping company delivering the Bill of Lading to a shipper who had failed to pay for, and obtain, a Mate's Receipt.

In reply, while endorsing the suggestion of the Federation, the Committee observed that they considered it essential that it should be distinctly provided in the legislation, that a steamer company which had issued a Mate's Receipt should not issue a Bill of Lading, except on production and delivery of the Mate's Receipt, and that such Bill of Lading, though issued in favour of the party to whom the Mate's Receipt was issued, should be delivered to the party producing and delivering the Mate's Receipt.

Imposition of Tug Charges by the Bombay Port Trust.

The attention of the Committee was drawn by the President of the Conference of the Small Steamship Companies to the system of imposing tug charges by the Bombay Port Trust. The practice till very recently was to impose tug charges either for attending or assisting vessels while actually passing the Dock-gates and entering the docks. It is now understood that a charge of Rs. 30/- per tug is made for assisting the vessels inside the docks. It is further understood that a uniform charge of

Rs. 100/- is being imposed on every steamer, irrespective of size, whether actual assistance is lent or not.

The Committee, representing to the Bombay Port Trust, observed that these extra impositions of tug charges were inequitable and undesirable burdens on shipping, especially in view of the fact that only recently an actual surcharge of 18¾ per cent. was levied on dock dues, thereby bringing the total increase of surcharge to 68¾ per cent over the rate of 1920. The Committee further observed that the imposition of new tug charges on vessels irrespective of their size fell much more heavily on small steamers than on vessels of bigger size. The Committee, therefore, requested the Bombay Port Trust to reconsider the position in that connection and relieve shipping which was already heavily burdened.

The Committee also enquired of the Bombay Port Trust about the existing arrangement for berthing steamers alongside the dockwalls outside the docks and whether they (Bombay Port Trust) were prepared to offer the same facilities to steamers of Small Shipping Companies as were given at present to the Bombay Steam Navigation Co., Ltd.

Subsequently the Committee were informed that the Port Trust had introduced a revised scale of charges for the use of harbour and dock Tugs, giving concession to small steamers, which met with the approval of the Conference of Small Steamship Companies.

With regard to the facility of special Wall berthing for small steamers, the Port Trust did not yet see its way to accede to the request of the Conference. The Committee once again wrote to the Port Trust requesting a reconsideration of their decision on this point.

Deck Passage accommodation between Bombay and Aden on the P. & O. Mail Steamers.

The attention of the Committee was drawn by some merchants to the difficulty experienced by them in getting Deck accommodation on the P. & O. mail steamers between Bombay and Aden. The Committee in bringing this difficulty

to the notice of the Agents of the P. & O. Company, pointed out that the Company was providing regular Deck accommodation between Bombay and Aden on their boat s. s. "Razmak" in their fortnightly service. That service had been discontinued sometime back, which had put the merchants to great inconvenience and additional cost because they were now obliged to go in for higher class accommodation. The Committee requested the Company to provide in their mail steamers certain accommodation for deck passengers in view of the fact that Indian merchants had generally been forwarding their cargoes and merchandise through their ships to and from Aden, and it was therefore natural that they should expect in return economic travelling facilities at the hands of the Company. In reply the Agents of the P. & O. Company informed the Committee that their mail steamers had no suitable accommodation for deck passengers and they therefore regretted their inability to comply with the request of the Committee.

A similar request was made by the Committee to the Agents of the Lloyd Triestino Navigation Co., who in reply informed that they regretted that Indian merchants should be put to inconvenience for want of economic travelling facilities between Bombay and Aden, and added that the matter was referred to their Head Office at Trieste for consideration.

Competition of the B. I. S. N. Co. with Small Indian Steamship Companies.

The attention of the Committee was drawn by the President, Small Steamship Companies, to the fierce competition carried on by the British India Steam Navigation Company on the Bombay-Karachi-Malabar lines. These were the only lines in which the small steamship companies plied their vessels, and the Committee were requested to strongly support the representation of the Conference to the Government of India in the matter. The Committee in addressing the Government of India on the subject urged them to move in the matter without any delay and take such effective steps as would save the small steamship companies from being wiped out of existence.

Indian Pilgrim Ships Rules, 1933.

The views of the Committee were invited by the Government of Bombay on the proposed Indian Pilgrim Ships new rules 1933. The Committee in reply observed with regard to Rule 17 which required that a sleeping board of 6 feet in width should be fitted along the ship's side in every compartment allocated for accommodation of pilgrims, that while appreciating the desire of Government to provide the deck passengers with all possible comforts, they did not think that the introduction of such sleeping boards would in any way enhance the pilgrims' comforts. The Committee were therefore opposed to the rule.

With regard to Rule 79, which made it compulsory for pilgrims to buy their passage tickets with food and made it compulsory for the shipping companies to provide food to all pilgrims according to the menus prescribed in the rule, the Committee observed that it would be highly impracticable on board pilgrim ships which might carry anything about 1,500 passengers. Apart from the difficulties in preparing and serving food to such a large number, the Committee pointed out that there were other important factors which would show that a proposal like that was impracticable and that the same, instead of conferring any benefits on pilgrims, would prove a source of great trouble and dissatisfaction. Pilgrims, as Government are no doubt aware, came from different provinces and had different tastes and likings in the matter of diet, etc. They were also unaccustomed to sea-life and most of them got sea-sick as soon as ships put out to sea. The Committee therefore strongly opposed the Rule 79, and suggested that pilgrims should be allowed the present facility of preparing their own food on board the steamers.

Form of Agreement for Foreign-going Ships employing Non-Lascar Crew.

The Shipping Master, Bombay, invited the views of the Chamber on a Draft of the Agreement for foreign-going ships employing non-lascar crew. The Committee, in reply, observed that the clause, allowing a seaman to claim his discharge for the pur-

pose of improving his prospects, and that too within a short period of six months, militated against the very basis of the contract of service. They were, therefore, of opinion that that stipulation should be deleted. As regards the other clauses, the Committee had no particular views to offer.

Proposal for the Removal of Prohibition on the Employment of Lascars in certain Northern Latitudes in the Winter Months.

The Government of India, Department of Commerce, invited an expression of views of the Chamber on the above proposal made by the Indian Trades Union Federation of Bombay. In reply, the Committee observed that they were agreeable to the removal of the existing climatic restrictions with regard to the employment of Indian seamen in certain waters. In case, those restrictions were removed the Committee urged that it should be made obligatory on the ship engaging such seamen to provide them at its own expense with sufficient warm clothings and seaboots of the proper quality. It was also desirable, they added, that these seamen should be provided with fresh meat at sea, and that a sufficient quantity of coffee and tea should be given to them.

Concession Fares over the Italian, American and German Steamship Lines for Students and Professors going abroad in their Boats.

The Committee addressed the Agents, Lloyd Triestino Line, Dollar Line and Nord Deutscher Lloyd, Bombay, regarding the question of giving concessions to Indian students and professors going abroad for educational purposes, travelling in their boats. They observed that for some time past, Indian students and Professors were going abroad in increasing numbers to avail themselves of the facilities obtaining in Europe and America for higher studies in various branches. Such students and professors had mainly to rely for their educational expenses abroad on scholarships and loans that they might be able to secure in India. The expenses for passages both ways covered not an inconsiderable portion of their general expenses. The Com-

mittee therefore observed that it would be a great help to them if they could secure concessions in their passage fares. They understood that the P. & O. Steam Navigation Co. had been lately offering 50% concession in fares to Indian students and professors going abroad and travelling on their boats. They requested the Agents of the lines, referred to above, also to kindly see their way to give similar concessions to Indian students and professors going abroad and travelling in their respective boats.

Government Notification re : Amendment of Rules under Sanitary Clauses of the Indian Ports Act.

On a reference from the Government of Bombay regarding the draft rules under Sanitary Clauses of the Indian Ports Act, which provided for compulsory vaccination and re-vaccination of passengers and crew of ships, the Committee objected, on principle, to (1) Compulsory vaccination, (2) discretion to the Port Health Officer in regard to exemption from vaccination, and (3) charging of fees for such vaccination.

Representatives of the Federation of Indian Chambers of Commerce and Industry on the Central Advisory Committee for Light-houses.

The term of office of the sitting representatives of the Federation on the Central Advisory Committee for Lighthouses expiring shortly, the Committee were asked by the Federation to recommend three names to fill up the vacancy. They recommended the following names :—

1. Mr. M. A. Master,
2. Mr. Kaikobad Cowasji Dinshaw, and
3. Mr. Sheriff Hassum.

Interview with Mr. P. R. Rau, Financial Commissioner for Railways.

The Committee had an interview with Mr. P. R. Rau, Financial Commissioner for Railways, Railway Board, on Tues-

day, the 2nd May, 1933, and the following questions were discussed with him:—

(1) Railway Freights and Rates,
(2) Railway Capital Programme,
(3) Railway Risk Notes, and
(4) Road-Rail Competition.

Railway Risk-Notes—Form A.

The Committee in a letter dated 25th February, addressed to the Government of India, conveyed once again the oft-repeated dissatisfaction against the wording of Railway Risk-Note Forms and pointed out in detail that the forms, as they stood at present, absolved the Railways from any liability in regard to damage, leakage or wastage, etc. Under the present conditions no relief could be obtained for the loss in respect of any consignment unless it was proved that such loss was due to the negligence or misconduct of the Railway authorities. The Committee submitted that it was next to impossible for a consignor or a consignee to prove such misconduct or negligence and that the onus of proof should, instead, lie on the Railway Administrations. They requested that early steps should be taken to amend these Forms.

Classification of Mowah Oil and Taraseed Oil, Toys, Imported and Country-made, and Silk Twist or Thread for Freight Purposes.

The Indan Railway Conference Association invited the views of the Chamber on the proposed classification of (i) Mowah Oil and Taraseed Oil, (ii) Toys, imported and country-made and (iii) Silk Twist or Thread, for railway freight purposes.

With regard to item No. (i), the Association suggested that Mowah and Taraseed Oils, for which so far there was no railway classification, should be indexed to oil division 'C'. The Committee in sending their reply observed that they had no objection to the proposed classification.

With regard to item No. (ii), the Committee had no particular views to offer.

With regard to item No. (iii) the Indian Railway Conference Association suggested that classification for silk twist or thread be raised to 8 R.R. for the reason that the present classification of that commodity was lower than that of cotton or woollen twist, not press packed, as well as artificial silk, twist, also not press packed, which was an anomaly. The above suggestion was therefore made to remove that anomaly, and the Committee in expressing their opinion observed that classification for silk twist or thread, moving from such interior places, like Mysore, Bengal and Benares, which were the principal centres of silk production in the country, should not be raised and thereby the indigenous sericulture industry should not be handicapped on the score of railway freights. With regard to the rates from ports, however, the Committee had no objection to the enhanced classification.

References from the Indian Railway Conference Association, re : Railway Freight Classification of certain articles.

The Committee received between May-June, various references from the Indian Railway Conference Association regarding railway freight classification of the following articles :—

(*a*) Bone charcoal and animal charcoal ;

(*b*) Cheese ;

(*c*) Empty drums and petrol tins and kerosene oil tins ;

(*d*) Baibarang ;

(*e*) Kamach or Kounch seeds ;

(*f*) Tyres—Iron and Steel; and

(*g*) Roumanian and Russian oils.

All these references proposed enhanced classification for these articles. The Committee in reply observed that no case had been made out in general for the enhanced classification of the articles.

With regard to (*a*), the proposal was that as there was no separate classification for bone charcoal and animal charcoal, which were being classified at present under the head : " Bone" at 1 R. R. and as the same were being used for refining sugar and as a decolouring agent, they should now be classified under "Colours, paints & dyes—Div. B" at 4 R. R. and 2 O. R. L. The Committee opposed the proposal on the ground that the articles were being used by the sugar industry, which had just been started in the country and required protection and encouragement for its development.

With regard to (*b*), it was proposed that cheese being not manufactured in the country on a commercial basis, the differentiation between cheese imported and cheese non-imported should be done away with. The Committee had no objection to this proposal.

With regard to (*c*), it was proposed that empty drums and petrol tins should be classified at 2 R. R. and Kerosene oil tins at 4 R. R., on the ground that these tins and more particularly kerosene oil tins, were offered for carriage only in "smalls" at unremunerative rates and not on actual weight basis under the present classification at 1 R. R. The Committee opposed the proposal on the ground that the proposed new classification would hit the newly started smaller oil concerns.

With regard to (*d*), doubt had now arisen whether Baibarang, used for medicinal purposes should be classified under the head "Drugs—country" at 4 R. R. or under the head "Seeds—not otherwise classified" at 2 R. R. The Committee stated that these articles should be given the benefit of lower classification and should be classified under the head "Seeds—not otherwise classified", instead of "Drugs-country".

With regard to (*e*), the same remarks as to (*d*) above would apply to Kamach or Kounch seeds.

With regard to (*f*), it was proposed that Tyres—Iron and Steel, should be classified under the head "Iron or Steel—Div. B" on the English analogy, as there was no separate classification for these at present. The Committee had no views to offer on the proposal.

With regard to (*g*), it was proposed that there should be a separate classification for Roumanian and Russian oils on the ground that the same being of superior type were being marketed in competition with Kerosene oil. The Committee observed that the proposal was unjust and unfair. They pointed out that there was no reason whatsoever for differentiation between Roumanian and Russian oils and oils imported from other sources. The oils imported from Roumania and Russia and other sources were being increasingly used for small engines by industries in the country. They were also being used by motor-buses and other vehicles which had a great bearing on the development of the countryside. The Committee thought it inconceivable therefore that such a proposal to enhance the classification of Roumanian and Russian oils should have been entertained, and were strongly opposed to the same.

Proposal to Increase Freight Rate over the G.I.P. Railway on Central Provinces Coal.

A complaint was received from a member re : the request of the Indian Collieries Owners' Association, Indian Mining Federation, and others of Calcutta to the Railway Board to increase the freight rate on Central Provinces Coal over the G.I.P. Railway. This request was based on the grounds, as put forward by the Bengal coal interests that at present the C. P. coal was charged by the G. I. P. Railway on a lower scale than that charged by the B. N. R. and the E. I. R. for coal from Bengal and Central India. The petitioners pointed out that that constituted an injustice to their interests and as such should be removed by increasing the freight rate on C. P. coal.

The Committee after considering the question in all its aspects, addressed the Railway Board, pointing out that the request contained in the petition of the Bengal coal interests was not well-founded in view of the following :—The total output of the C. P. collieries was about 1 million tons, which formed about 10 per cent of that of Bengal. Statistics for the years 1929, 1930 and 1931 showed that coal consumed in Ahmedabad was practically the same in quantity and was therefore not displaced,

as alleged by the petitioners, by the C. P. coal. The C. P. coal had only a limited market area, in the western part of the Bombay Presidency, while Bengal coal had not only the whole of India, with all her important ports, but also some of the overseas markets, on account of the low sea freight. Over and above these advantages the Bengal coal was given a rebate of Rs. 1-8 per ton by the E. I. and the B. N. Railways. This, the Committee emphasised, was a very material point to be borne in mind in considering the alleged discrimination in freight rates between the C. P. and the Bengal Coals.

The Committee in conclusion observed that if the request of the Bengal coal interests was acceded to, it would not only not help the Bengal coal industry to any extent, but would on the contrary adversely affect the cotton textile industry of Ahmedabad, as also the C. P. coal industry. They therefore strongly recommended to the Railway Board not to sanction any increase in the freight rate on C. P. coal.

Railway Classification of (1) Condemned Petroleum Cans in Pieces and (2) Jute-Twine.

The Indian Railway Conference Association invited the views of the Chamber on their proposals regarding classification of (1) condemned petroleum cans in pieces and (2) jute-twine. With regard to item No. (1) it was stated by the Railway Conference Association that these tins were declared as tinned scraps or tinned iron scraps which were chargeable at class 1 R. R. It was contended that this declaration was incorrect, because the condition attached to iron scraps was S/21, which laid down that these scraps must be used for remelting purposes. As a matter of fact these tin pieces were used for making small suit-cases and were not remelted. It was therefore proposed that these condemned petroleum cans in pieces should be classed 2 R. R., the class for tinned scraps. The Committee after giving their full consideration to the proposals, in reply, observed that no case had been made out by the Railway Conference Association for enhancing the class rate for these cans, particularly as the proposal was to the detriment of a growing industry of making suit-cases from these cans.

With regard to Item No. (2), it was pointed out by the Railway Conference Association that at present jute twine was not separately classified and was charged as Twine (string) N. O. C. Gunnies and jute-twine were charged alike and booked at class rates 2 R. R. Further the special rates quoted for gunnies could not be applied for jute-twine unless that was specifically notified, which was not the case at present. It was therefore proposed that jute-twine be separately classified at 2 R. R. and indexed to ' gunnies '. The Committee informed the Association that they did not see any objection to the separate classification of jute-twine at class 2 R. R. along with gunnies.

References from the Indian Railway Conference Association re: Classification of :

1. Kalijiri ;
2. Kaladana ; and
3. Groundnuts without shell.

The views of the Committee were invited by the Indian Railway Conference Association regarding the classification of the abovementioned articles.

With regard to item No. 1 the proposal was that Kalijiri was not cumin-seed black, and, therefore, should be separately classified at class 2R.R.

With regard to item No. 2 it was also found that Kaladana was not cumin-seed black, and was country drug. It was, therefore, proposed to index under Drugs-country.

The Committee had no views to offer on these proposals.

With regard to item No. 3, it was observed that groundnut, at present, was differentially classified from the oil seeds common, such as linseed, castor seed, etc., at Class 4 on actual weight at R.R. or class 2 in wagon loads at O.R. The proposal was to abolish this separate classification and to classify the same along with seeds common at class irrespective of weight at R.R.

The Committee, in forwarding their views, observed that whatever might have been the justification for separate classifi-

cation of groundnuts when some years ago the traffic in the same was almost entirely in shell, there was no reason for making distinction between groundnut without shell and other oil seeds such as linseed etc., at present when the bulk of the groundnut traffic was carried on without shell.

The Committee therefore strongly supported the proposal for the abolition of separate classification of groundnuts without shell.

Representation of Commercial Interests in the panel of Railway Rates Advisory Committee.

At the request of the Railway Board the Committee suggested the names of the following gentlemen to represent the Chamber on the panel of the Commercial representatives on the Railway Rates Advisory Committee :

Sir Manmohandas Ramji, Kt.,
Sir Purshotamdas Thakurdas, Kt.,
The Hon. Sir Phiroze C. Sethna, Kt.,
Seth Mathuradas Vissanji,
Mr. Manu Subedar.

Increase in Freight Rates per Maund of Cotton F.P. Bales from Wun and Warora to Bombay.

The attention of the Committee was drawn by a member to the increase (from Rs. 2-2-0 to Rs. 2-6-8 and Rs. 2-0-2 to Rs. 2-7-3) made in freight rates per maund of cotton F. P. Bales from Wun and Warora to Bombay since February 1932. At the request of the member, the Committee addressed the authorities of the G. I. P. Railway regretting that no reason justifying the said increase had been advanced by them. They pointed out that while the rates from Wun and Warora to Bombay had been increased, that from Hinganghat, a station only a few miles of Warora had remained unchanged, with the result that a considerable portion of the cotton trade of Wun and Warora had been diverted to Hinganghat to the detriment of the former interests.

The Committee noted that recently, as a result of representations by the merchants affected, the rates from Wun and Warora had been slightly reduced, (from Rs. 2-6-8 to Rs. 2-5-5 and Rs. 2-7-3 to Rs. 2-5-5) but the change however, had not set right the disparity in comparison to rates from the neighbouring stations. The Committee were therefore of opinion that in these days of depression there was primarily no reason justifying any increase in the rates, and at any rate there was no reason to single out these two centres for such discriminatory treatment in the matter of rates. They therefore requested the railway authorities to reinstate the old rates from Wun and Warora to Bombay in justice and fairness to the interests of the cotton trade of these centres.

Complaint from the Glass Bangles Merchants' Association re ; the practice of substituting higher quality goods by inferior ones while in transit.

The Glass Bangles Merchants' Association, Bombay, forwarded to the Chamber the correspondence which had passed between them and the G. I. P and M. & S. M. Railways on the above subject. The Committee after considering the correspondence, forwarded the same to their representative on the Local Advisory Committee, G. I. P. Railway and to the representative of the Maharashtra Chamber of Commerce on the M. & S. M. Railway Local Advisory Committee, with a request that they should take up the matter with the respective bodies.

First & Second Class Mileage Coupon Tickets.

The Committee addressed communications to the Agents of the G. I. P. and B. B. & C. I. Railways stressing upon the necessity of re-introducing the system of mileage coupon tickets for Commercial travellers. After briefly referring to the history in respect of this question, they communicated the general feeling of the commercial community that in these days of depression it would be very desirable to re-institute this concessional service.

The main argument advanced from the stand point of the Railways was that the system, during the time it was in force, was

abused. The Committee pointed out the injustice of denying to the whole of the Commercial Community the facility for the alleged abuse by a few parties. They suggested that instead the Railway should devise adequate checks for preventing such abuses and that they should reconsider the whole question at a very early date.

Proposal to establish better contact between the Railways and the Trade interests.

The Committee were informed by the Agents of the B. B. & C. I. and G. I. P. Railways that a suggestion had been made that considerable advantage would be likely to accrue to all concerned from an improvement in the contact between the Railways in Bombay and representatives of important trade interests. The suggestion was placed before the Local Advisory Committees of both the railways referred to above, which resulted in the further necessary examination of the subject being made by a Joint Sub-Committee from both the Local Advisory Committees.

The Joint Sub-Committee considered that owing to the large number of trade associations in Bombay, it would be advisable to form groups of kindred trades, as far as possible, and for representatives of each of these separate groups to meet the Agents of the railways at stated intervals to discuss subjects which either the groups or the Agents proposed.

The Committee were asked if they were in general agreement with the main suggestion and the proposals made to carry it out and were invited to send their representative to attend a general meeting with the Joint Sub-Committees of the two railways and their Agents in the near future, so that the matter might be further discussed and the present proposals be accepted or amended as the sense of the proposed meeting might require. The Committee nominated Mr. Manu Subedar as their representative in this connection.

Rail Road Communications in Nira Valley.

The Railway Board, in collaboration with the Government of Bombay, deputed a Special Officer to enquire and report on

the matter of communications, rail and road, in the Nira Valley, particularly with reference to sugar factory development there. The views of the Chamber were invited by this Officer as to the scope for sugar factory development in the area and the kind of transport facilities required.

The Committee in reply expressed the view that transport by rail would be the main solution for development of the area and that road communications should also be improved so as to connect the interior with the Railway lines. They added that with proper transport facilities assured, the area was sure to be developed for sugar production.

Communications in the Nira Valley.

The Government of Bombay invited the views of the Committee on the report of the Special Committee regarding communications in the Nira Valley. The recommendations of the Special Committee in brief were :—

1. Construction of a 2′ 6″ Guage Railway from Baramati to Pandarpur passing through Asu, Akluj and Velapur.
2. Construction and completion of the road from Phalton to Baramati.
3. Improvement of the Road from Akluj to Sangam.
4. Increased maintenance grant for the road from Lonand to Phalton.

The report had also urged the necessity of giving immediate consideration to proposals in connection with the development of communications in this area. In expressing their views on these recommendations, the Committee endorsed the suggestion that the matter should be taken up in hand immediately and that communications should be provided with the least possible delay.

As regards recommendation (1) above referred to they pointed out that the alignment as proposed would only serve one of the three existing Sugar Factories in the area. The fac-

tories at Kalamb and Phalton would not be touched by the proposed line. As it was very essential that the latter areas should also be served, they suggested the undermentioned alternative alignment.

A line of 2′ 6″ guage starting from Baramati crossing the River Nira near Kalamb factory and joining the line as proposed in Special Committee's report at Nateputa would be more or less in the centre of the area and would serve all the requirements. They also suggested the extension of the Dhond-Baramati line to Lonand through Phalton town.

Regarding the development of road transport, the Committee pointed out that the same might be costlier than rail and, therefore, suggested that suitable railway communications would be better.

They also endorsed the recommendations of the Special Committee regarding the use of Government land whether under the Irrigation Dept., or under the Public Works Dept. for laying tram lines by factory owners. They added that if the owners were prepared to pay for the land for such tram lines, tracts of land not exceeding above 20′ in width be acquired for the purpose. They concluded by reiterating the need for speedy consideration of these proposals.

Acceptance of DLT Telegrams on Sundays and Telegraph Holidays.

The Director General of Posts and Telegraphs informed the Committee that he had received a suggestion from the Karachi Chamber to the effect that on Sundays and telegraph holidays the Telegraph Offices in India should accept DLT telegrams, in view of the growing importance of such telegrams to the commercial community. The views of the Committee were invited by the Director General on the same. The Committee informed him that they were in favour of the suggestion namely, the acceptance of DLT telegrams on Sundays and telegraph holidays.

Interview with the Director General of Posts & Telegraphs.

The Committee had an interview with Sir Thomas Ryan, Kt., C. I. E., Director General of Posts and Telegraphs on

the 4th November 1933, and discussed with him the following questions :—

(1) Chamber's representation on the Board of the Bombay Telephone Company.

(2) Revision of Postal Rates.

(3) Disparity in Air Mail Rates between England and India.

(4) Indian Air Mail Service and composition of the Indian Trans-Continental Airways, Ltd.

(5) International Postal and Telegraph Conventions and consultation of the commercial community thereon.

(6) Extension of hours for half-rate calls in Trunk Telephone Service.

Representation of the Chamber on the Directorate of the Bombay Telephone Co.

It might be recalled that a difficulty had arisen in regard to the representation of the Chamber on the Board of Directors of the Bombay Telephone Company, on account of the wrong interpretation by the Company of Clause 4 of the Agreement between the Secretary of State for India and the Bombay Telephone Company providing such representation. The Committee had referred the matter to the Director General of Posts and Telegraphs for a correct interpretation of the Clause and to have the same officially accepted by the Telephone Co. The Committee received a letter from the Director General in which he observed that he had conveyed the following points to the Telephone Co. by way of interpretation of the said Clause :—

(*i*) the sentence in Clause 4 of the agreement did not appear to confine the stipulation to the Board of Directors first appointed on the creation of the new Company,

(*ii*) It would appear that the intention was that a duly qualfied member of the Committee of the Indian Merchants' Chamber and Bureau, Bombay, should always be a member of the Board of the Company,

(*iii*) the Clause provided for a *member* of the Chamber and not a representative to be on the Board,

(*iv*) if the Director who was the representative of the Chamber ceased to be a member of the Committee of the Chamber he *ipso facto* ceased to be a Director of the Company in the capacity of representative of the Chamber.

He also forwarded to the Committee a reply from the Bombay Telephone Company. The Committee again addressed the Director General of Posts and Telegraphs, thanking him for the correct interpretation of Clause 4 of the agreement and endorsing the contention of the Committee in regard to the nomination of a member of the Committee of the Chamber on the Board of the Bombay Telephone Co. They however regretted to observe, from the reply of the Telephone Co. to the Director General, that the Company was not yet prepared to accept the official interpretation of the Clause and thought it fit to stick to its original untenable position in this regard. The Committee submitted that the interpretation put by the Telephone Company failed to carry out the spirit of the Clause 4, which would be apparent from the fact that a member of the Committee of the Chamber once having been appointed a Director would, according to the interpretation of the Telephone Co., continue to be a Director of the Company although he subsequently ceased to be a member of the Chamber, with the result that a non-member would represent the Chamber on the Directorate of the Company. Under the circumstances, the Committee requested the Director General to see that the Telephone Company abided by the provision of Clause 4 of the agreement according to the interpretation put by the Committee and officially approved by him. They further submitted that if the Articles of Association of the Company did not make any provision for vacating the office of a Director in a contingency like the present, such articles should be suitably amended.

Trunk Telephone Charges.

Under the existing rules in regard to the Trunk Telephone Service, calls are put through from 8 p. m. to 8 a. m. at half the

scheduled rates. A suggestion was made by the Merchants' Chamber of Commerce of the United Provinces that this period of half-rate service should be changed to between hours 6 p. m. to 9 a.m. The Committee supported this suggestion.

The Committee also supported a further suggestion from the same source that the 25 per cent. extra charge for a "particular person call service", should also be reduced by half during the above hours of half-rate calls.

II. FINANCE, TARIFF AND TAXATION.

Budget of the Government of India for 1933-34.

The Committee sent a detailed representation to the Government of India on the National Budget presented to the Legislative Assembly on the 28th February, 1933. The following were some among the important points dealt with in the communication :

(1) They regretted that Government had not yet seen their way to effect substantial economies by retrenchment in expenditure.

(2) They pointed out that there was no justification for the continued high military expenditure, particularly having regard to the fall in commodity prices.

(3) They protested against the decision to restore half the cut in the salaries of Government servants, without any attempt at relief for the overburdened taxpayer.

(4) They welcomed the change in the gilt-edge market, in consequence of the easy money conditions, and suggested to Government the desirability of taking advantage of the situation to reduce substantially the burden of interest charges on the Public Debt of India and also of embarking on productive capital programme to support industries.

(5) They strongly protested against the proposal to re-impose the stamp duty on cheques, as such a step would be a definite set-back to the development of banking habit in the country.

(6) They refuted the arguments advanced by the Finance Member in justification of the unchecked exports of gold and expressed the fear that the Government policy in allowing these exports to continue was actuated by considerations other than the interests of the country.

The Railway Budget.

On the 8th March, the Committee addressed a communication to the Government of India on the Railway Budget for 1933-34. They reiterated their views regarding the necessity for stringent economy in several departments of the Railway Administration, regarding the need for speedier Indianisation of the Railway Board and the Railway Services, and also for the reduction in the top-heavy staff in the Railway Administrations. They particularly drew pointed attention to the fact that of recent years the Railways had come to be a non-paying asset of the taxpayer in marked contrast to the position in the last decade.

They took the opportunity to stress on the authorities the necessities for laying down a definite policy regarding the transport of passengers and goods in India. They also referred to the recent developments which had made the position of the Railways unenviable, *viz.*, the increasing road-motor competition and diversion of transport by sea on the Coast Lines. They suggested that all this was due to a lack of a definite policy in regard to railway freight rates and regretted how during the last two years, notwithstanding the lower commodity prices the Railways had put up freight rates.

Protest against the continuation of the 18d. Sterling Ratio.

At the instance of the Currency League of India, the Committee addressed the Government of India in regard to the ratio question, stating that they were in agreement with the objects of the Currency League, *viz.*, to oppose the continuation of the present 18d. sterling ratio and to bring about an immediate devaluation of the Rupee. This was a question on which there was much common ground between the Indian and the European commercial

communities in the country. The Committee were strongly of opinion that time had arrived when Government should review the whole position in regard to the ratio, and urged that immediate steps be taken in that direction so that the present inflated Rupee might be devalued and the ratio be fixed in the best interests of agriculture, trade, commerce and industry of the country.

Reserve Bank of India Bill, 1933.

The Committee in expressing their views on the Reserve Bank of India Bill, 1933, observed that the national character of the Reserve Bank could only be secured through compliance with the following conditions by Government :

(1) The capital of the Bank should be held in such a manner that not less than 75 per cent would be at any time in the hands of natural-born Indians and /or companies formed and registered under the Indian Companies Act, 1913, not less than 75 per cent of whose capital shall be held by natural-born Indians and not less than three-fourths of the Directors were natural-born Indians. Further Government should have the right to buy all the shares of the Bank at any time during its existence at a fair valuation to be fixed by independent arbitration.

(2) The four Directors proposed to be nominated by the Governor General in Council should be nominated on the advice of the Federal Government under the new Constitution.

(3) There should be three more Directors to represent trade, commerce and industry of the country to be elected by the Indian commercial community at Bombay, Madras and Calcutta. With regard to Bombay, the Indian Merchants' Chamber representing the Indian commercial community should form the electorate for the purpose.

(4) The personnel of the management of the Bank should be entirely Indian. In any case the Deputy Governor or Governors should be natural-born Indian. The Governor and Deputy Governor or Governors of the Bank should be appointed by the Board subject to the approval of the Governor.

General in Council and the Governor General as advised by the Federal Government under the new Constitution. Officials and Government pensioners should not be appointed to these posts.

The minimum gold reserves should be Rs. 44 crores or 20 per cent of the total note issue, whichever was greater.

As regards the business of the Reserve Bank, the Committee urged the necessity of linking the institution of Indian Shroffs with the Bank, in view of the important service that is being rendered by the indigenous Shroffs and private bankers especially in the mofussil where there was a lack of organised banking facilities.

With regard to the obligation of the Bank to buy and sell sterling to scheduled banks and other persons, the Committee apprehended that the Bank might not be able to fulfil the same in the years to come. Over and above that there was the overwhelming objection against the continuation of the 18d. sterling ratio. The Committee urged the delinking of the Rupee from Sterling and devaluing it as an over-valued rupee had brought ruin on the trade, industries and agriculture of the country.

As regards the relation between the Imperial Bank and the Reserve Bank, the Committee were opposed to entering into any agreement for such a long period as 25 years as proposed, and suggested that it should be in the first instance, for a period of ten years only, at the end of which the question of entrusting the agency work of the Reserve Bank should be reviewed. The Committee also opposed the proposal for giving deposits to the Imperial Bank free of interest or at concession rates.

Recommendations of the Bombay Reorganisation Committee.

On 23rd February 1933, the Committee addressed a communication to the Government of Bombay, regarding the recommendations of the Reorganisation Committee. They regretted the omission from the scope of the labours of the Committee the question of the All-India Servicemen, as the expenses on that part of the Services was considerable, and therefore the Provinces should make their views on the point felt. Although the Committee

disapproved entirely the recommendations of the Reorganisation Committee in regard to the abolition of the Industries Department of educational institutions such as the Sydenham College of Commerce, School of Arts, Poona Agricultural College and in regard to the Co-operative movement in the Presidency, they felt that there were many useful recommendations in the report which Government should act upon. They regretted that out of a total economy of Rs. 179 lakhs, exclusive of fresh taxation suggested by the Reorganisation Committee, Government proposed, as far as 1933-34 was concerned, to act on them to the extent of a saving of only Rs. 9 lakhs. The Committee pointed out that the taxable capacity of the people had been passed, and that the only hope for the finances of the Presidency was in retrenchment in Government expenditure particularly in the bloated salaries of the Superior services.

Joint Protest against the one-sided Anglo-Japanese Trade Negotiations.

The Committee were requested by the Bombay Millowners' Association to join in a joint protest being addressed by that Association to the Government of India and the Secretary of State for India protesting against the one-sided trade negotiations reported to be carried on in London between His Majesty's Government and the Japanese Government. The Committee gave their assent to associate with such a protest. Accordingly a telegram in the name of several important Indian commercial associations and Chambers of Commerce, was sent by Mr. H. P. Mody, Chairman of the Bombay Millowners' Association, on 1st June, 1933, strongly protesting against the reported Anglo-Japanese trade negotiations, and declaring that any such arrangement affecting India that might result from those negotiations would in no way be binding upon Indian commercial interests.

Protest against the reported Anglo-Japanese Negotiations as affecting Indian Fiscal Autonomy.

The Committee sent a telegram to the Government of India and the Secretary of State for India expressing their serious con-

cern over the reported fiscal negotiations between Britain on behalf of the Empire and Japan. They observed that any fiscal arrangement that His Majesty's Government might as a result make would in so far as it affected India be a violation of the Fiscal Autonomy Convention and as such in breach even of the existing Constitution. If India's interests were to be affected in any way, India must be a party to the negotiations and the Committee trusted that His Majesty's Government would not allow the negotiations to proceed further without representative Indian participation.

Nomination of 3 Representatives of the Federation of Indian Chambers of Commerce and Industry as non-Official Advisers to the Government of India Delegation to the Indo-Japanese Trade Discussions at Simla.

The Federation of Indian Chambers of Commerce and Industry having been invited by the Government of India to nominate three representatives as non-Official Advisers to the Government of India Delegation to the Indo-Japanese trade discussions invited suggestions from its member-bodies. The Committee suggested the names of Messrs. G. D. Birla (who afterwards having withdrawn, the name of Sheth Jamal Mohamad Saib was suggested) S. D. Saklatvala and Manu Subedar for the purpose. Ultimately the Federation nominated Messrs. Nalini Ranjan Sarkar, Lala Shri Ram and D. P. Khaitan, who were subsequently appointed as such by the Government of India.

Indo-Japanese Trade Discussions.

The Committee forwarded to the Government of India the following resolutions passed by them with regard to the negotiations that were being carried on between Indian and Japanese Cotton Textile Delegations:

I. The Committee of the Indian Merchants' Chamber request the Government of India that, in any agreement that they may enter into with the Government of Japan, they shall place above all the agricultural and industrial interests of the

country, so that the same may not be adversely affected in the slightest manner by such an agreement. Any agreement so entered into should provide for factors, like Exchange, so that steps may be taken in case the interests of the country (India) suffer or are likely to suffer. The following important industries are at present affected by Japanese competition, irrespective of the cotton textile industry :—

Soap, Glassware, Leather Goods, Boots and Shoes, Hardware, Electric Bulbs, & Shipping Industry.

Any agreement which is entered into should take note of this, as it is vitally essential that these industries should be saved from the ruin which threatens them if the present conditions are allowed to continue. It must be remembered that these industries are in a condition of infancy and hence require even much greater protection than industries which have been established for so long a time.

Indian agriculture also stands at present threatened, if the boycott of Indian cotton is going to be continued. It is essential that the interests of the Indian agriculturists should be safeguarded, so that they may not suffer. Government of India will, the Committee trust, look into this question closely, in view of the possible reaction of the Japanese attitude on the cotton growers of India, and consider the great necessity of giving every facility to the Indian agriculturists to grow better staple cotton with a view to finding fresh markets for the same in various parts of the world.

These claims of industries and agriculture, which may appear at first sight conflicting, will have to be synthesised and earnestly taken into consideration, before any agreement is arrived at.

II. The Committee of this Chamber are emphatically of opinion that the Government of India should be very careful in coming to any decision regarding negotiations being carried on by the British Cotton Textile Delegation with the Japanese and Indian Cotton Textile Delegations. It is true that the British Delegation is not here on the invitation of the Government of

India, but Government may be faced with certain conclusions, as a result of tripartite negotiations, and it is with regard to this that the Committee hope Government will be pleased to scrutinise the demands of the British Delegation with a view to see that the Indian industrial interests do not suffer in any way by their acceptance.

III. The Committee of this Chamber are of opinion that, if any settlement of any character is arrived at between the different Delegations, now carrying on negotiations in India, the Government of India should give an opportunity to the people of India to express their views on the proposed terms and negotiations of such a settlement before such a settlement is ratified.

IV. The Committee of this Chamber are definitely opposed to the suggestion of dividing the foreign trade of this country and assigning to any country abroad any definite quantity or quota.

Agreement between the Bombay Millowners' Association and the Lancashire Textile Delegation.

The Committee at their meeting held on the 21st November 1933, passed the following resolution regarding agreement arrived at between the Bombay Millowners' Association and the Lancashire Textile Delegation :

> "The Committee of the Indian Merchants' Chamber, having carefully considered the arrangement arrived at between the Bombay Millowners' Association and the Lancashire Delegation as also the explanation given by Mr. H. P. Mody, are of opinion that the said arrangement is detrimental to the best interests of the Textile Industry in particular and the country in general and will not only prove a great impediment against any further expansion of the Industry, but would lead to its decay. It has cut at the very roots of the unanimous recommendations of the Tariff Board, ratified by the Legislature of the country. The Committee are convinced that the agreement is of a one sided nature, securing no benefits to this country as against definite advantages promised to Lancashire"

Action against Dumping of Foreign Goods.

On the 29th April, the Committee sent a telegram to the Government of India expressing their disappointment at the complascence of Government in not affording protection to indigenous industries against continued dumping of foreign goods. They particularly stressed the case of the cotton textile industry, which was threatened with grave consequences, if timely assistance was not forthcoming. They therefore urged immediate and adequate action to save the industry.

Dumping of Old Indian Rice by Japan into India.

The Committee sent to the Government of India a telegram observing that they learnt with regret that Japan had sold a consignment of 7,000 tons of rice in India at considerably lower rates than those ruling in the local market,—rice which was exported to Japan from India two or three years back. They understood that this was reported to be the first of a series of consignments to follow. They observed that already the first consignment had tended to affect the local market adversely and depressed prices. It had also affected prices of Jowar, Bajri and Wheat in the country. Japan had placed a ban on Indian rice and yet exported old Indian rice to India causing great harm to local trade, and agriculture. The Committee therefore requested Government to place an immediate ban on imports of old Indian rice from Japan.

Dumping of Japanese Sugarcandy in India.

Manufacturers of sugarcandy in Bombay had recently forwarded to the Government of India a detailed statement, drawing their attention to the position in which that industry was placed as a result of abnormal imports from Japan facilitated by exchange depreciation and otherwise. In commending to the attention of the Government the claims of the sugarcandy industry, the Committee took the opportunity of reiterating that Government should take steps to place the necessary anti-dumping legislation on the Statute Book at an early date.

Indian Magnesium Chloride Industry & Japanese Dumping.

The attention of the Committee was drawn by Messrs. Pioneer Magnesia Works to the dumping by Japan of Magnesium Chloride thus adversely affecting the indigenous industry.

The Committee in addressing the Government of India in this matter observed that unless adequate and timely protection was accorded to the indigenous industry its position would be seriously threatened by the increased dumping of Japanese stuff. They, therefore, urged the Government of India to exercise the powers vested in them (Government) under the Heavy Chemical Industries Protection Act. No. XXII of 1931, and to take immediate action.

Protection to the Silk Industry.

In connection with the enquiry conducted by the Indian Tariff Board on the question of protection to the Sericulture Industry, the Committee addressed a communication to the Tariff Board, supporting the claims of the Industry for protection. They pointed out that lately the Industry had been suffering from the following, among other, causes :—

(1) Higher prices of Indian varieties of silk because of their superiority over the imported ones and the consequent decline in the export of Indian products, such as raw silk, waste and cocoons.

(2) Keen competition of the coarser and cheaper varieties of foreign raw silk with the Indian raw silk, which is much superior to the imported stuff, due to the great fall in their prices, as a result of the exchange of China and Japan.

(3) The Indian tariff of 25% on imported raw silks being too low to be of any practical help to the indigenous industry.

As the above factors have had disastrous effects on the industry, they suggested the levy of an adequate protective duty on all imports of raw silk. The Sericulture Industry satisfied all

the conditions for protection laid down by the Fiscal Commission and therefore any such action by Government would be perfectly justified.

They also pointed out to the need for greater attention being paid to the development of the Industry. As a step in this direction, they suggested the formation of a Central Body, like the Indian Central Cotton Committee, to deal with problems regarding the development of the Industry.

Indian Steel Industry Enquiry.

The Committee in submitting their views to the Tariff Board in response to the Government of India Notification No. 260-T (8)-33 dated 26th August 1933 on the above subject, observed that inspite of making carefully thought out calculations the previous Tariff Boards could not achieve their objective on account of unforeseen circumstances, over which they had no control, in regard to the protection recommended by them to the Indian Iron and Steel Industry. The Committee were of opinion that protection of the Steel Industry was a very important matter for the country and while agreeing entirely with the view taken by previous Tariff Boards and the Government in the matter, they were anxious to see that after a reasonable period of adequate protection, the Industry should find itself in a strong enough position to stand on its own legs. The Committee further observed that if for the next 7 years the Industry got the protection which was asked for and if the demand of the Railways for its products remained constant, it should be in such a position and be able to withstand foreign competition without any burden on the consumer. The Committee were anxious that the experiment should be made satisfactorily, once for all, regardless of reduction in steel prices abroad whether on account of exchange or any other factor. The consequent extra burden, temporarily thrown on the consumer, would be more than repaid if thereby the Steel Industry, which was a natural and essential basic industry of the country, was firmly established, because, ultimately, all industrial progress in India would depend on the existence of a strong indigenous Steel Industry.

In this connection, the Committee nominated Professor Sohrab R. Davar, to give oral evidence before the Tariff Board on behalf of the Chamber.

Tariff Amendment Bill.

The Committee considered the Tariff Act Amendment Bill introduced in the November session of the Legislative Assembly proposing duties on all mineral oils, except Motor spirit, at the rate applicable to Kerosene. The Committee sent a telegram to the Government of India strongly protesting against the Bill, as the proposed duties would affect small industries which were using these oils.

Interview with the Director General of Commercial Intelligence & Statistics.

The Import-Export Sub-Committee had an interview on Wednesday, 22nd November 1933 with Dr. D. B. Meek, Director General of Commercial Intelligence and Statistics, with regard to the Annual Revision of Tariff Values. Several suggestions in this regard were made at the time, and the Director General promised to give his consideration to the same.

Ottawa Trade Agreement—Certificate of Origin.

The Collector of Customs, Bombay, invited the views of the Committee on the proposal of the Central Board of Revenue to issue instructions to importers requiring that an additional copy of certified invoices (*i. e.*, invoices bearing a Certificate of Origin on their reverse) covering goods on which preference is claimed under the Ottawa Trade Agreement Rules, 1932, should be furnished by them for retention in the Custom House along with the relative bill of entry. It was stated that the object of the proposal was to assist the Custom House to guard against fraudulent competition. It was proposed to allow ample time to importers who were not in a position to comply with the requirement immediately. The Committee supported the above proposal.

Request of the Delhi Piecegoods Association for relief to certain sections of non-British and Continental Textile Goods.

A letter was received from the Delhi Piecegoods Association in regard to the position of the trade in Continental Piecegoods which competed neither with the British nor with the Indian textiles. It was pointed out that the heavy import duties levied on all non-British piecegoods on account of the tremendous Japanese competition had imposed severe handicaps on merchants engaged in the trade of Continental Piecegoods. The Association, therefore, requested the Committee to induce the Government of India to take such steps in regard to the present negotiations with the Japanese Delegation that would prevent the present unsatisfactory position of other non-British piecegoods being perpetuated and no further burden of an unnecessary character placed on that section of the trade. The Committee, in reply, observed that the interests of the Indian textile industry should be of paramount consideration to the people of the country as well as the Government. Any concessions that might be given to foreign textile interests in any sh p would, in their opinion, at this juncture, prove greatly detrimental to the Indian textile industry. Under the circumstances, they were not prepared to countenance any proposals that might have that detrimental effect, and therefore regretted their inability to comply with the request of the Delhi Association.

Import Duty on Fruits and Mangoes.

Under the Ottawa Agreement, the duty on fruits imported from countries other than those obtaining preference was increased from 25 to 30 per cent. the preferential rate being fixed at 20 per cent. There is a large import trade in mangoes and fruits from Nova Goa, and the merchants in the City drew the attention of the Committee to the hardships involved both on the trade and the consumer in general by this additional import duty on an article of necessity. The Committee wrote to the Government of India in the matter, and pointed out how the Ottawa Agreement was responsible for such avoidable hardship, by imposing duties on articles of absolute necessity.

Handicaps on the Imports of Indian Magnesium Chloride into France.

It was recorded in the annual Report for the last year that the Committee had drawn the attention of the Government of India to the handicaps in the way of developing the import market in France for Indian Magnesium Chloride. In reply Government pointed out that under the Franco-German Commercial Agreement of 1927, imports into France of Magnesium Chloride of German origin enjoy the minimum rate of 15 Francs per 100 kilos, while those of Indian origin had to pay 60 Francs per 100 kilos, plus an exchange compensation surtax of 15 per cent *Ad Valorem*. Under the Indo-France Trade convention of 1903, only a few articles which do not include Magnesium Chloride, are eligible for the minimum duty, and therefore, the action of the French Government in levying a higher duty on the Indian produce than on the German produce did not contravene any provisions of the trade Agreement.

In reply the Committee pointed out that at the time of entering into the Convention, India was not producing Magnesium Chloride, and therefore the same could not possibly have been included in the minimum schedule. In view, however, of the development of the industry in recent years, the Government should consider the possibility of negotiating with the French Government with a view to the inclusion of Magnesium Chloride in the minimum schedule.

Import Duty on Salt.

The protection afforded to the Indian Salt Industry by the imposition of an additional import duty on foreign salt, of 4½ annas per maund, was to have terminated on 31st March 1933, and at the request of the Indian Salt Association, the Committee sent to the Government of India, on the 4th March, a telegram recommending the continuation of the protection for a further period of five years. They observed that without such assistance the position of the Indian Salt Industry would be imperilled and it was imperatively necessary to avoid any such eventuality.

It may be added that the Central Legislature has extended the life of the Salt Import Duty Act for one year, *i.e.*, upto 31st March 1934, with a slightly reduced rate of duty.

Assessment of certain Printing Press Machinery at a higher rate of import duty.

It was recorded in the Report of the Committee for the year 1932 that they were in correspondence with the Government regarding the assessment to import duty of certain machinery required for a printing press at a rate higher than the usual rate of duty for printing machinery. The facts of the case briefly stated are that certain printing machinery, such as cutting machines, cardboardshears, etc., were assessed to duty at 25%, whereas the general duty for printing machinery was fixed at 10%. According to the assessing authorities the higher rate was justified for the reason that the machines referred to above, with certain adaptation, were capable of being worked by hand and were therefore assessed at the rate applicable to machinery worked by hand.

As already referred to, the Committee protested against this classification. They were, however, in reply informed that the question had been considered by Government more than once, and that Government did not feel convinced that there was any reason to amend the existing practice.

Proposed New Head for Potatoes in the Tariff Schedule.

The Director General of Commercial Intelligence and Statistics informed the Committee about the introduction of a new Head for Potatoes in the Tariff Schedule, and invited their view thereon. The Committee, in reply, observed that they saw no objection to the same.

Tariff Values for Wet Salted Fish.

The Director General of Commercial Intelligence and Statistics invited the views of the Committee on a proposal to fix

from 1934 a tariff value for Wet Salted Fish under the two classifications: (1) Sooramai, and (2) All other sorts. The Committee approved of the proposal.

Proposed changes in the Tariff Classifications.

The Committee received various proposals from the Director General of Commercial Intelligence and Statistics in regard to changes to be made in the classification of articles in the tariff schedule. The Committee, in expressing their views on the various proposals, observed as follows :—

With regard to the proposal to fix tariff values for Caustic Potash, Acetic Acid, Alum, Glycerine, Oxalic Acid, Copper Sulphate Sodium Sulphide, Sodium Hydro-sulphide, Cycle Tyres and Tubes, the Committee had no objection.

With regard to the proposal to sub-divide Umbrella Ribs Solid, they suggested that the head Solid Flexus Ribs also should be similarly sub-divided.

The Committee had no objection to the suggestion regarding certain deletions and alterations in the existing tariff valued heads relating to silk piecegoods. They however observed that plain variety of cotton and silk mixed satins should not be deleted. They had no objection to fix tariff values for various kinds of Fents as also for altering the heading "Mineral Grease" to "Lubricating Grease."

Lastly with regard to the suggestion to fix tariff values for transformer oil and mineral colza oil, while the Committee had no views to express regarding the classification of mineral colza oil, with regard to transformer oil, they observed that if it was imported with the transformer or the apparatus with which it was to be used, the duty payable was 10 per cent. There would be no objection to classify transformer oil separately in the new tariffs, but they suggested that the duty should be charged uniformly at the rate of 10 per cent, on the ground that spare parts of transformer or other machinery were allowed to be imported at the lower rate of 10 per cent, if they were component parts

thereof, and transformer oil should also come under the same classification which had to be changed at regular intervals for proper operation.

Separate Classification of Healds, Reeds and Cambs in the Sea-borne Trade Returns of British India.

The Committee addressed, the Director General of Commercial Intelligence and Statistics, Calcutta, in the beginning of the year emphasising the necessity of showing separately in the Sea-borne Trade Returns of British India figures of imports of Healds, Reeds and Cambs. In reply the Committee were informed that on financial grounds it was not found possible to comply with their above request. The Committee in reiterating their previous request observed that articles, imports of which did not aggregate to more than a few thousand rupees, were separately shown in the Trade Returns, while articles under reference, which were imported to the tune of Rs. 25 lakhs annually were not so shown. They pointed out that recently some factories had been started in the country to manufacture these articles. It was therefore necessary that this rising industry should have exact information as regards the imports of these articles so that it might be able to plan out the manufacture of the same. The Committee urged the Director General to show all these articles separately in the Sea-borne Trade Returns. The Director General in reply informed the Committee that the question would be considered at the time of the next annual revision; and in the meantime if they wanted figures for these articles they might obtain the same from the different Custom Houses on payment of small fees.

Import Duties on Materials used in the Manufacture of Healds and Reeds.

It might be recalled that in August 1932, the Committee had addressed a communication to the Government of India, drawing their attention to the fact that in several cases component parts required for a particular industry were being charged at a higher rate of import duty than the finished articles with which

the indigenous industry had to compete. In that connection they had referred to the case of Healds and Reeds manufacturing industry which was suffering from this handicap. They had suggested at the time the inequality in respect of tariff treatment should be removed in the interests of the local industry. In July 1933, the Government of India asked for submission of a detailed statement of the case of the industry for the consideration of Government. The Committee accordingly, addressed a representation to the Government of India on the subject, giving statistical information pertaining to the consumption of these articles in some of the representative textile mills in Bombay and Ahmedabad. They pointed out that the import duty on finished Healds and Reeds was 10 per cent, while the duties on the constituent materials were between 20 and 30 per cent. It would be clear from this that the local Healds and Reeds manufacturing industry suffered from a severe handicap owing to the inequality in respect of tariff treatment. They therefore urged the immediate removal of this inequality which the local manufacturers were subject to at present. If Government so desired, the Committee submitted, their representation might be forwarded to the Tariff Board for a proper investigation at an early date. The Committee were informed in reply that Government had forwarded the representation to the Tariff Board for investigation.

Enhancement of the Rate of Customs Duty from Annas Six to Annas Eight on every 100 lbs. of Tea Exported from India.

The views of the Chamber were invited by the Government of India, Department of Commerce, on the proposal to enhance the rate of Customs Duty from Annas 6 to Annas 8 on every 100 lbs. of Tea exported from India. The reason given was that, while the object underlying the proposal was to raise additional funds to enable propaganda work in America, the United Kingdom and India to be carried on to the fullest possible extent, the immediate necessity for the proposed increase arose as a direct result of the tea restriction scheme, the effect of which was to reduce considerably the income derived from the Tea cess.

The Committee, in reply informed the Government that they were opposed to the proposed increase, pointing out that

while they appreciated the value of propaganda for purposes of any industry, they did not think that in an article like tea much was likely to be achieved by such propaganda in foreign countries, where the tastes and the habits of the people inclined them to other drinks and other kinds of tea. According to them, if the State was to take upon itself the obligation of pushing in some way an industry markets and if it did so in the case of Indian Tea, then why should it not do so in the case of Indian Rice, Indian Wheat, Indian Hides, Indian Seeds, in fact so many other products, Indian ? They therefore saw no reason why Government should impose the proposed additional duty on Indian Tea for the purpose referred to.

Interview with Khan Bahadur J.B. Vacha, C.I.E., Officiating Member, Central Board of Revenue.

The Committee had an interview with Khan Bahadur J. B. Vacha, C. I. E., Officiating Member of the Central Board of Revenue on Friday, the 14th July 1933, and discussed with him the following questions :—

1. Amendment of the Income-tax Act so as to allow set off of business losses in any one year against profits of six subsequent years as in England.
2. Collection of Income-tax and issue of penalty notices while the matter was in appeal.
3. Interference of Assistant Commissioners re: assessments by Income-tax Officers before Notice under Section 29 was sent out to the assessees.
4. Provision for depreciation of Talkie machines.
5. Liability under Section 44, of partners of a discontinued firm of partnership, to assessment.
6. Assessment of agents of non-residents to Super-tax
7. Procedure of assessments under Section 23 (4).
8. Supply of copies of Assessment Orders and Appellate Orders, and Stamp Duty on latter.

9. Double depreciation for machinery working double shift.

10. Assessment on estimated profits on purchases made in British India when sales were made outside it.

11. System of charging registered firms wishing to go in appeal at the maximum rates.

12. Double Super-tax on income from dividends from Companies.

13. Realisation of Income-tax on deposits in British India by persons in Native States.

Amendment of the Indian Income-tax Act (Sir Hari Singh Gour's Bill).

The views of the Chamber were invited by the Government of India to the amendment of the Indian Income-tax Act (Sir H. S. Gour's Bill).

When the above Bill was first referred to the Committee, in December 1932, they had supported the main object of the Bill, *viz.*, appointment of independent Tribunals to supervise assessment work of the Income-tax Offices and decide questions of law and facts in regard to the same. As originally provided in the Bill of Sir Hari Singh Gour, Provincial Tribunals were suggested; but Government after having received opinions from various commercial bodies on the Bill, had again forwarded the Bill with their specimen scheme.

The Government scheme, in brief, was as follows:—The Tribunal of Appeal was to be a highly competent body of experts in the interpretation of general law and the highly technical subject of Income-tax. It would be an entirely independent body consisting of three Referees, subordinate neither to Government nor to High Courts, nor to any one else. To secure the above end of the three Referees, two were to be selected from amongst persons who had worked as Judges of any of the High Courts of Judicature in India, and one would be selected from persons who had worked as Commissioners of Income-tax for not less than three years. The Tribunal would adjudicate both on questions

of law as well as fact. Its decision as regards questions of fact was to be final. As regards questions of law, decided on a reference under Section 66 of the Income-tax Act, an appeal would lie to the Privy Council as at present. As regards the procedure to be followed in the matter of hearing Income-tax appeals, the Tribunals were empowered to frame their own rules. It was thought probable that two such Tribunals would suffice for the whole of India.

The Committee, after considering the scheme, were in favour of it. But with regard to the Rules of Procedure, the Committee observed that the Indian commercial community should be given an opportunity to express their opinion before such rules were finally made by the Tribunals.

Income-tax (Second) Amendment Bill.

The Committee forwarded their views on the Indian Income-tax (Second) Amendment Bill, which was designed to (1) prevent evasion of taxation and (2) remove various defects in the existing law. The Committee were opposed to Clause 6, introducing additional provisions empowering the Income-tax Officers to require deduction of tax source, when that was payable by an assessee who was liable to Super-tax from interest payments other than "interest on securities". They also objected to Clause 7, giving power to authorities to ask information about deposits received by assessees. They had in the past strongly objected to the system of fishing enquiries being practised by Income-tax authorities.

The Committee were also against the provision being sought to be made under Clause 9, enabling the assessment of the income of a deceased.

Proposed Amendment to Rule 24 of the Indian Income-tax Rules, 1922.

The Central Board of Revenue proposed amending the Rule 24 of the Indian Income-tax Rules, 1922, to the effect that in computing income derived from the sales of teas grown and

made by the seller in India an allowance shall be made in respect of the cost of planting bushes and replacement of bushes that have died or become permanently useless in an area already planted unless such area had previously been abandoned.

The Committee informed the Central Board of Revenue that they had no objection to the proposed amendment.

Amendment to Rule 35 of the Indian Income-tax Rules, 1922.

The Central Board of Revenue invited the views of the Chamber on the proposed amendment to Rule 35 of the Indian Income-tax Rules, 1922, which was to the following effect :—

"To Rule 35, the following shall be added, namely :—

For the purpose of this Rule, in the case of non-resident Life Assurance Companies whose profits are periodically ascertained by actuarial valuation, the total income, profits or gains shall be computed in the same manner as is prescribed in Rule 25 for the computation of income, profits and gains of Life Assurance Companies incorporated in British India."

The Committee while aggreeing to the above amendment suggested that the following addition be made as a Proviso thereto:—

"Provided, however, that in the case of the Indian branches of such non-resident Insurance Companies the income, profits and gains shall be deemed to be such proportion of the average net profits disclosed by the actuarial valuation of the Company as a whole under Rule 25 and calculated in the proportion which the income, profits and gains of the Indian branches bears to the income, profits and gains of the Company as a whole."

Amendment in Note 5 (b) of the Notes appended to the Statement of total Income in Rule 19 of the Indian Income-tax Rules, 1922.

The views of the Chamber were invited to the proposed amendment referred to above. The amendment being of a minor

character, the Committee observed that they had no objection to the same.

Free Supply of Copies of Appellate Orders to Assessees of Income-tax, and deduction for Super-Tax on Income from Dividends paid by the Companies.

It might be mentioned that at the interview which the Committee had with the Officiating Members of the Central Board of Revenue in July last, among the questions discussed were (1) free supply of copies of Appellate Orders to assessees of Income-tax, and (2) deduction for Super-tax on income from dividends paid by Companies. The Central Board of Revenue now informed the Committee that they had issued necessary instructions to Income-tax Commissioners that as soon as an Order was passed on appeals a copy should be supplied to the assessees free of cost for their own private use. As regards the second question, the Board regretted they were unable to do anything.

Proposal before the Bombay Municipal Corporation to Levy Town Duty on all Foreign Cotton Imported into the City of Bombay.

The views of the Chamber were invited by the Bombay Municipality on a proposal being considered by them of imposing Town Duty of Re. 1/- per bale on all foreign cotton imported into the City. The proposal was made on the ground that Indian cotton imported into the City was liable to a Town Duty of Re. 1/- per bale and there was no reason why the foreign imported cotton should not bear a similar impost. In forwarding their views, the Committee, in the first place, took the opportunity of reiterating their considered view that the present Town Duty of Re. 1/- on Indian cotton imported into the City weighed heavily on the cotton trade and the textile industry of the City. They pointed out that Bombay was becoming costlier day by day, due to the heavy handling charges, port trust charges and other imposts. They further pointed out that the main objective for which the present Town Duty was imposed in 1922 *viz.*, to provide the working class people of the City with cheap and modern housing accommodation was not achieved. The Committee therefore sug-

gested that steps should now be taken to have this unjust and unfair impost removed at an early date.

Coming to the main proposal under reference, the Committee observed that the foreign imported cotton, which was being used for mixture purposes and for manufacture of finer counts by the cotton mills in the City, already paid an import duty of half an anna per lb., which came to Rs. 12/8 per bale of 400 lbs. Any extra burden in the shape of the proposed Town Duty would not only weigh heavily on the cotton trade of the City which was already overtaxed, but would adversely affect the Port of Bombay. Under the circumstances, the Committee strongly objected to the proposed levy.

In reply to the invitation of Bombay Municipality, the Committee of the Chamber nominated Raja Bahadur Govindlal Shivlal and Messrs. Manu Subedar, Chunilal B. Mehta, Purshotam Jivandas and K.T. Shah as their representatives to discuss the question with the Committee appointed by the Municipality for the purpose.

III. TRADE, INDUSTRIAL AND LABOUR LEGISLATION.

Importation of Cotton piecegoods from United Kingdom into India without any marks.

The attention of the Committee was drawn to the import into India of a consignment of Saris from the United Kingdom without any marks to indicate the names of the manufacturers or the country of origin, and at the same time similar in design and pattern to Saris manufactured in the country by a certain Mill. The absence of any mark of origin coupled with the similarity to a local design, facilitated the palming off of such imported goods as Indian. Although under the Sea Customs Act, imports from the United Kingdom are exempted from the obligation to bear clear marks of origin, the Merchandise Marks Act nonetheless provided that in cases where there were grounds for considering that the use of such plain ticket designs was specially designed to convey the impression of Indian origin, they should be considered to be false trade descriptions.

The Committee drew the attention of the Government of India to the above practice, and sent to them the samples of the imported product in question as also the local product of which it was a colourable imitation. They also drew their attention to a similar circumstance in 1922, and urged that the lacuna in the legislation of the country in this regard be removed, so as to make impossible such malpractices.

The Government in their reply explained that the marking of the country of origin on imported goods was not generally compulsory under the Indian Merchandise Marks Act and that the same was compulsory only when the Trade Mark or other mark on the goods would raise a supposition that such goods were the product of some country other than that in which they were actually made.

The Committee thereupon addressed a further communication to Government to remove the lacuna in the Merchandise Marks Act by amending section 10 suitably so as to provide for all imported goods distinctly showing their country of origin.

Indian "KHADDAR" (Name Protection) Bill.

The views of the Committee were invited by the Government of India, through the Government of Bombay, on the Bill to provide for the protection of the names "Khaddar" and "Khadi" used as trade descriptions of cloth spun and woven by hand in India, introduced in the Legislative Assembly by Mr. Gaya Prasad Singh. The Bill was intended to prevent the advantage sought to be taken of the popular preference for handspun and handwoven cloth by manufacturers of spurious Khaddar both in India and abroad by palming off the latter as genuine Khaddar. The Bill sought to extend the protection afforded by the Merchandise Marks Act to the names "Khaddar" and "Khadi" by laying down that the terms shall exclusively signify cloth spun and woven in India by hand and that the use of the said names for any other cloth shall be a false trade description.

The Committee supported the provisions of the Bill.

Legislation for the prompt Settlement of Life Assurance Claims.

The views of the Committee were invited on a representation submitted to the Government of India by the Association of Life Assurance Offices in India and Indian Life Assurance Offices Association, urging the necessity for introducing legislation in the country, regarding settlement of Life Assurance claimes on the lines of the Payment into Court Act in England. The principal object the memorialists to the Government had in view was to enable a Life Assurance Co., to obtain without undue delay and expense a good discharge for Policy moneys due, in respect of which a company might be harassed by various claimants who could not, or would not, submit the evidence of title necessary to ensure for the Company a good legal discharge for the amount due. The memorialists observed that there need be little apprehension that they would not investigate the title of claimants with as much patience as hitherto. It was only in such cases, where the evidence adduced was palpably insufficient that they were compelled to decline acceptance and when this occurred they must inevitably leave it to the claimant to establish his title in Court.

The Committee, in forwarding their views on the proposal of the memorialists, observed that the opinion of policy-holders had not yet been expressed on the subject. It was found that many claims were delayed for one reason or the other, and the proposal in the representation dealt with but a fraction of these.

While seeing no objection to the suggestion contained in the memorial, the Committee observed that it might be apprehended that insurance companies might make a greater use of the legal privilege which was being sought to be conferred upon them. They urged, therefore, that that aspect of the matter should be considered before giving legislative effect to the proposal. They also referred to an important point, *viz.*, that of expedition, and suggested that insurance companies should be obliged to bear half the stamp duty involved in the procedure of paying any claim through Court.

Arrest and Imprisonment for Debt.

The Committee considered a reference from the Government of India on the question of arrest and imprisonment for debt. The present Law on the subject was contained in Sections 51 and 55 to 58 of the Civil Procedure Code read with Rules 37 to 40 in Order XXI. Under the substantive provisions of the Code a judgment-debtor other than a women may be arrested and detained in prison in execution of a decree. But under Rule 37, Order XXI, a court may in lieu of issuing a warrant of arrest issue a notice calling upon the judgment-debtor to show cause why he should not be detained. Under Rule 40 the court may disallow his arrest and detention. There is thus no obligation on the court at any stage to order either the arrest or the imprisonment of a debtor who is genuinely unable to pay. But when a judgment-debtor is brought to court the burden of proving that he is unable to pay rests upon him. The Royal Commission on Indian Labour recommended, in this connection, that at least so far as industrial workers in receipt of wages or salary amounting to less than Rs. 100/- per month were concerned, arrest and imprisonment for debt should be abolished except where the debtor had been proved to be both able and unwilling to pay. The views of the Chamber were invited on the question whether arrest and imprisonment for debt where no contumacy was proved should be abolished generally or for particular classes of persons. The Committee in expressing their opinion supported the recommendation of the Royal Commission referred to above and with regard to the other question they observed that it would be difficult to have contumacy proved and as such they were opposed to the same.

Bill to amend the Land Acquisition Act (1894).

The views of the Chamber were invited by the Government of India, Legislative Assembly Department, through the Director of Information & Labour Intelligence, on the Bill to amend the Land Acquisition Act, 1894. The objects of the proposed amendment were two-fold: (1) to enable land being acquired compulsorily for the housing of labour; and (2) for the purpose of acquiring land for the said object, the definition of a " company', referred

to in the Act to be enlarged so as to include individual employers or Associations of such individuals.

The Committee were in complete agreement with the proposed amendment. At the same time, they suggested that some provisions should be incorporated in the body of the Act to the effect that, if the housing scheme was not completed within a particular time from the date of the acquisition, or if at any time thereafter the land or the tenement ceases to be used for the purpose for which the same was acquired, the land must be offered back to the original owner or his representatives, or in case they did not want it back, to the people in the immediate neighbourhood at a price to be agreed upon between the parties, or in case of dispute by arbitration.

Recommendations of the Royal Commission on Labour in India regarding the fixation of the Hours of Work for Dock Labourers.

The Government of India, Department of Commerce, through the Director of Information and Labour Intelligence, Bombay, invited an expression of views of the Chamber on the matter referred to above. The following were the four points on which the views were invited :—

(1) The normal daily hours prescribed by law should be nine with overtime permissible up to three hours.

(2) Payment for each hour of overtime should be required at not less than $33\frac{1}{3}\%$ over the ordinary rates.

(3) The minimum age of employment should be raised to 14 years.

(4) Enforcement should be entrusted to the Factory Inspection Department.

In offering their views, the Committee observed that as regards No. (1), the acceptance of the principle of nine hours in the docks must be carefully examined in the light of the several practical consideration which the different interests employing labour might have to urge either in favour or against it. With regard to No. (2), the Committee pointed out practical difficulties

like the migratory nature of labour, the great fluctuation in the number of labourers employed difficulty about keeping a register of labour, due to the absence of a proper labour organisation, etc. In view of these difficulties, the Committee observed that all questions connected with the scale of overtime payment should not be laid down in a legislative enactment, but should be decided by the Principal Officer, representing the Government of India, in consultation with all the Employers of labour in the docks at each Port. So far as the Committee were aware, no child labour was employed in the docks of Bombay, and they therefore had no objection to the acceptance of the third recommendation. As regards the fourth recommendation, the Committee observed that the Factory Department in India were entirely innocent of the knowledge of shipping. They were, therefore of opinion that enforcement of the new provisions should be made by the Principal Officer representing the Government of India.

Recommendation of the Royal Commission on Labour regarding exemption of Salaries and Wages from attachment.

The Committee were invited to express their opinion on the following four questions arising out of the recommendation of the Royal Commission on Labour regarding the exemption of salary and wages from attachment :—

(1) Is it desirable to extend the complete protection of wages from attachment to other classes than those at present included in Clause (1) of the proviso to section 60 (1) of the Civil Procedure Code, and, if so, how should these classes be defined ?

(2) Should the power to secure continuous attachment of the salaries of public officers or railway servants be curtailed, and, if so, to what extent and in what manner ?

(3) What special provisions, if any, should apply to debts due to co-operative societies ?

(4) To what extent should any changes introduced apply to debt incurred before the changes were made ?

In submitting their views seriatim, the Committee observed that with regard to the first question they were of opinion that complete protection should be extended to industrial workers also.

As regards the second question, they observed that the power to secure continuous attachment should be curtailed, and the present limit of Rs. 40/- above which attachment was granted should be raised to Rs. 100/- per month, which should apply to all wage earners.

The Committee did not favour any special provisions for debts due to Co-operative Societies, referred to in question No. 3.

Regarding the fourth question, they were of opinion that the new provisions should be applied to all such decrees as may have been left undisposed at the time of coming into force of these new provisions along with future decrees.

Amendment of the Indian Mines Act.

The views of the Committee were invited by the Government of India, through the Government of Bombay, on the amendments considered necessary in the Indian Mines Act. The following were the more important of the points on which Government desired the observations of the Committee :—

(1) What are most suitable limits to the daily and weekly hours of work—
   (*a*) above ground, and
   (*b*) underground ?

(2) Should the present minimum age for children be raised and, if so, to what extent ?

(3) Should Mine Managers be required to report all accidents likely to involve the enforced absence of any worker in excess of seven days ?

(4) Should it be obligatory for Local Governments to publish reports of a Committee appointed under Section 11 or of a Court of Inquiry appointed under Section 21 of the Mines Act ?

After consulting mining interests at Calcutta, the Committee conveyed the following views to Government :—

(1) (*a*) The present hours of work above ground, *viz.*, 12 hours a day, with a weekly limit of 60 hours, should on no account be changed.

(*b*) The working-day underground should be one of 10 hours—without any weekly limit. The Committee are opposed to the proposal to reduce it to 9 hours.

(2) The Committee approved of the proposal to raise the minimum age for children to be admitted for work from 13 to 14.

(3) The Committee were of opinion that it should not be made obligatory for the mine management to report all accidents, which are likely to involve the enforce absence of any worker for more than seven days, as the same is not practical.

(4) The Committee had no objection to reports of the Courts of Enquiries, under the Mines Act, being published.

Payment of Wages Bill.

The views of the Chamber were invited by the Government of India, through the Labour Office, Bombay, on the Bill to regulate the payment of wages to certain classes of persons employed in industry as introduced in the Indian Legislative Assembly. It might be recalled that in 1926, the Government of India had addressed the Local Governments with a view to ascertain the position with regard to delays which were happening in the payment of wages to persons employed in industries and the practice of imposing fines on them. The information collected during that year was placed before the Royal Commission on Indian Labour in 1929. The Bill was the result of the recommendations of that Commission.

Clause 3, which was the central clause of the Bill, was designed to secure that wages 'shall ordinarily be paid within seven

days from the expiry of the period within which they were earned'. It was further proposed to reduce that period to two days when an employee was discharged. The other clauses related to deductions of fines from wages.

At that time, *i.e.* in 1926, the Committee had pointed out that no undue delay was caused, particularly in the textile industry, in regard to payment of wages to workers. In forwarding their reply to the present reference they opined that no case had been made out justifying the proposals of the Bill under consideration, specially in the matter of payment of wages. They, therefore, reiterated the views expressed by them in 1926, pointing out in particular the difficulties involved in calculating the wages of workers engaged on piece-work basis in so short a time as proposed in the Bill.

With regard to the question of the deduction of fines from wages, the Committee felt that the same being technical pertaining to the industries concerned they had no particular views to offer.

Periods of Wage Payment.

The views of the Chamber were invited by the Labour Office, Bombay, re: legislation to regulate periods for payment of wages to workmen on the recommendation of the Royal Commission on Indian Labour. The Royal Commission while favouring the system of weekly payments, were not prepared to advocate their enforcement by Government at the present time. Their proposal was that in the textile industry, Railway and engineering workshops, and iron and steel works, the Law should require payments of wages to the process operatives at intervals not exceeding 16 days. The law should also confer on the appropriate authority the power to extend a similar provision to other industries or classes of operatives either generally or in particular centres. The Committee after carefully considering the question, observed that there was no objection in supporting the recommendation of the Royal Commission proposing fortnightly payments.

Indian Trade Disputes Act.

The views of the Committee were invited by the Government of India, through the Labour Commissioner, Bombay, on the question whether the Trade Disputes Act, which was due to expire on the 31st March, 1934, should be placed on the statute-book as a permanent piece of legislation and if so, the desirability of amending the same at the time of doing so.

The Committee expressing their views, observed that the Trade Disputes Act should be placed on the statute-book as permanent legislation. With regard to the desirability of amending the Act, the Committee reiterated the various suggestions offered by them in 1928 when the present Act was referred to them, for opinion, in the form of a Bill, and which suggestions were not incorporated in the Act. With regard to the term "employer," it should be more clearly defined and it should include the occupier, manager or any other person appointed by him for the purpose. It was not clear from Section 3 of the Act as to at whose instance the particular subject-matter of dispute would be referred to a Court of Inquiry or a Board of Conciliation. The Committee therefore suggested that the section should be suitably amended. With regard to Section 16 of the Act relating to special provisions for illegal strikes and lock-outs, the Committee apprehended that the same was vague. They feared that a purely industrial viewpoint might not be taken by the authorities when declaring a strike illegal under the section, and political considerations might also be incorporated in such declarations. The Committee therefore emphasised that the definition of the term "illegal strike" should be more exact and drafted in such a manner as to preclude the authorities from abusing the power in their possession. In this connection, the Committee regretted that the Act did not provide any sufficient safeguard against picketing. Without going into the merits of picketing during pre-reference or pre-conciliation period, the Committee were strongly of opinion that after a matter under dispute had been referred to a Court of Inquiry or a Board of Conciliation, and positively after Award, picketing, unless it is made illegal, will defeat the object of reference or conciliation. Unless some such action was taken

the condition of industries would be jeopardised. The Committee hoped, in conclusion, that at the time of placing the present Act on the statute-book, Government would be pleased to embody all the above suggestions, so that the industrial and labour communities might have for their guidance a more satisfactory and fair piece of legislation.

Bill to amend the Bombay Prevention of Adulteration Act, 1925.

The views of the Committee were invited by the Government of Bombay on the Bill introduced by Mr. A. N. Surve in the Legislative Council, the object of which was to enhance punishment for purpose of preventing adulteration of food, like butter and ghee, by adding imprisonment to that of fine under Section 4 (1) of the Act. The amendment was to the effect that the first offence should be punished with imprisonment or fine and subsequent offences should be punished with imprisonment and fine.

In expressing their views, the Committee observed that they were in favour of stringent action for prevention of adulteration. They felt at the same time that frivolous prosecutions that might be brought about as a result of mutual jealousies should be guarded against. With that in view, the Committee suggested that the first part of the amending Bill be so altered as to make first offence punishable with fine and subsequent offences with imprisonment and fine as provided for in the amending Bill. They were also of opinion that in regard to first offence the maximum amount of fines should be increased.

Draft Bombay Weights and Measures Rules, 1933.

The views of the Committee were invited by the Government of Bombay on the Draft Bombay Weights and Measures Rules, 1933. The Committee in submitting their views on the draft rules observed that with regard to Rule 124 the proposed scale of fees for stamping of weights and measures was very exhorbitant, the percentage to the actual cost of these being in some cases 10 per cent and even more. They therefore requested that there should be a substantial reduction in the same. With regard

to Rule 123, laying down limitation re: verification, the Committee observed that these limits were not at all practicable from the point of view of the different trades concerned. They therefore suggested that these must be modified to suit the actual practical conditions. The Committee further pointed out that scales and weights would, under the draft rules, have to be stamped even if they were to be sold to private individuals who were not traders and who wanted these for their private use. They suggested that there should be exemption from stamping of weights and measures sold to private individuals. The rule regarding stamping, they further pointed out, should not apply where the weights and measures were exported out of Bombay to other parts of British and Indian States. Traders in and manufacturers of these weights and measures were rightly afraid that their trade and industry would suffer greatly from the operation of these rules, if they were not modified as suggested by the Committee. The Committee also suggested that the rules should be translated into principal vernaculars of the Province and Government should get them published and put them for sale at a cheap cost so that the trading and the general public might have an opportunity of studying them and take necessary action in that behalf. In conclusion the Committee urged that Government should convene a Conference of the various trade interests concerned to consider the draft rules before finally sanctioning the same.

Bill to consolidate and amend the law relating to the import, transport, storage, production and refinement of Petroleum and other inflammable substances.

The views of the Committee were invited by the Government of India on the above Bill.

The Indian Petroleum Act, 1899, was passed at a time when the use of petroleum, particularly of dangerous petroleum or petrol, was limited, and with the great developments in the use of petroleum that have taken place in the last 30 years it has become unsuitable in several ways. The present Act does not permit the issue by the Government of India of a set of rules applicable throughout British India, and the only way in which

it has been possible to secure uniformity has been by the issue by the Local Governments from time to time of similar rules with the sanction of the Central Government. The opportunity has now been taken to re-arrange the whole law and to consolidate the same and frame an Act suitable to modern conditions. The Bill provides for centralising the rule-making power in the Government of India.

The Committee in expressing their views observed that the Bill under reference was necessary in the interests of the trading concerns and they were therefore in agreement of the same.

Bombay Tobacco Act, 1933, and Rules framed thereunder.

The Committee's attention was drawn to some difficulties experienced by dealers of tobacco in regard to the working of the Bombay Tobacco Act, 1933 and rules framed thereunder, particularly to the rules relating to scale of license fees fixed under the Act, and keeping of regular accounts by the tobacco dealers. The Committee in addressing the Government of Bombay observed that the scale of license fees was excessive and proved burdensome to dealers of tobacco, majority of whom were petty traders. With regard to the keeping of regular accounts, the Committee pointed out that the majority of dealers of tobacco in the Presidency were illiterate and as such it was difficult for them to comply with the provision under reference. The Committee also pointed out that under the Act, tobacco dealers in the Presidency could deal only with persons holding licenses. Government were no doubt aware that these dealers had established for a number of years connections with merchants and dealers in Indian States and Portuguese Territory and other British Provinces, where the Bombay Act naturally did not apply. It was therefore obviously difficult for these dealers in the Presidency to carry on their business with people outside the Presidency. In view of all these difficulties, the Committee requested Government to give possible administrative relief to the tobacco dealers.

IV. GENERAL TRADE AND INDUSTRY.

Use of Indian Steel in the Howrah Bridge.

The attention of the Committee was drawn to the proposals which were under consideration by the New Howrah Bridge Commissioners for the building of the new Howrah Bridge. The Committee were informed that the new bridge will require 30 to 40 thousand tons of steel. In a communication addressed to the Government of India, Department of Commerce, the Committee endorsed the views expressed by the Indian Chamber of Commerce, Calcutta, that in inviting tenders for the construction of the bridge, every opportunity should be given to the manufacturers of steel in India to supply the steel material required. They added that in order that the manufacturers of steel in India may have reasonable chances of putting in competitive tenders, it was obviously necessary that the specifications for the materials required should not be so narrowed down as to confine it to any particular kind or make of steel. The Committee also suggested that the consulting engineers of the New Howrah Bridge might be asked to suggest their designs in consultation with the Controller of Standardisation of the Government of India.

Adulteration of Butter and Ghee.

At the request of the Marwari Chamber of Commerce, Ltd., Bombay, the Committee addressed the Government of Bombay, strongly supporting the representation of the Marwari Chamber urging Government to take effective means to check the ever increasing evil of adulteration of Butter and Ghee in the Presidency It might be recalled that when the question was first referred to them in 1927 by the Government of Bombay on a reference from the Government of India, the Committee had suggested that the present law should be considerably strengthened and that effective punishment in the shape of heavy fines and imprisonment should be imposed on persons found guilty of adulteration. They also suggested that vegetable products should be given a distinct colouring so that the same could be easily distinguished from pure Ghee. They reiterated their previous views on the

present reference and in addition suggested that the word Ghee should be strictly restricted for genuine Ghee, that is to say, Ghee prepared from milk of cows and buffaloes only, and that it should not be allowed to be used in connection with vegetable products because such a use was a misnomer and a fraud on the consuming public.

Competition by Military Dairies with private enterprise.

The Committee addressed the Government of India, Army Department, protesting against the competition carried on by Military Dairies with private enterprise by catering for the needs of civil population in various centres. In lodging this protest, the Committee had particularly in view the case of competition at Simla and Bombay. Government in reply informed the Committee that with regard to Simla the matter was being looked into and the decision taken on the same would be communicated to the Committee. With regard to Bombay the Committee were informed that instructions were being issued to the Military Dairy at Colaba to restrict itself to the Military and Royal Indian Marine requirements.

Since then the Committee had occasion to discuss the matter with the Bombay Dairy Owners. They were informed that competition existed not only in Simla and Bombay but also in a more serious form in places like Jubbulpore, Ferozepore, Quetta, etc. The Committee thereupon again addressed the Government of India drawing their attention to competition prevailing in all those centres and urged them to issue forthwith instructions to Military Dairies all over India to desist from competing with private enterprise and confine themselves to military requirements only.

Amendment to certain Rules and Regulations of the Native Share & Stock Brokers' Association, Bombay.

The views of the Chamber were invited by the Government of Bombay on the amendments proposed by the Bombay Native Share & Stock Brokers' Association to certain of their Rules and Regulations. As the proposed amendments related to minor changes in regard to the fixing of settlement days, etc., the Committee informed Government that they had no objection to the same.

Definition of Ghee and Standards for Ghee and Butter.

The Director of Public Health invited the views of the Chamber on the question of framing standards for butter and ghee for statutory purposes and definition of ghee. The Committee in expressing their views referred in the first place, to the complex nature of the problem presented by this subject. They observed that a close investigation of the subject was necessary for framing new legislation or standards calculated to stimulate honest trade, protect public health and satisfy public expectation of immunity from fraudulent practices. They suggested the following definition for ghee :—

> "Ghee is a pure clarified substance made exclusively by heating butter and contains no fats or other extraneous matters not contained in milk fats or milk."

With regard to fixing standards for ghee and butter, the Committee, after enumerating the various difficulties to be encountered in the matter, suggested that a conference of chemists, similar to that held in Calcutta in 1918, be convened to determine the standards for ghee sold in the Bombay city and Presidency. Should such a conference be held, it should be asked to suggest limits, above or below which presumption might be raised that the articles sold were not genuine. In this connection the Committee referred to the various chemical and physical tests which might be of great use in fixing standards for ghee. As regards butter, the statutory limit of water to 16 $^{o}/_{o}$ in western countries could not be made applicable to India. The limit should be 20 $^{o}/_{o}$ owing to India being a warmer country. The ultimate object, the Committee pointed out, of the fixed standards should be to enable the buyer to obtain in substance, nature and quality the article demanded by him which would be a pure milk fat, free from any extraneous substances.

Standardisation of Weights and Measures for Cotton transactions Throughout India.

The views of the Committee were invited by the Government of Bombay on the proposal to standardise weights and measures

for cotton transactions throughout India, and particularly on the following points : (1) whether time was ripe for the adoption of the measures proposed and (2) whether any suitable measures could be devised by which the standardisation of weights for all cotton transactions in the Presidency of Bombay could be effectively secured.

The Committee, in reply, observed that they were in favour of standardisation of weights and measures for cotton transactions throughout the country but they were doubtful if the time was ripe for the adoption of the measures towards the unification of weights for all cotton transactions throughout India. At the same time they were of opinion that all transactions in cotton, kapas and cotton seeds in the Presidency of Bombay, excluding Sind but including the Indian States situated within the Presidency limits, should be based on the Bombay Candy of 784 Lbs. With regard to item (2) above, it should not be found difficult, as there were Cotton Market Committees in important cotton centres in the Presidency, to adopt suitable measures for carrying out the scheme of standardisation of weights in the Presidency.

Quinquennial All India Plough & Cattle Census (1934-35).

The attention of the Committee was drawn by a member to the next Quinquennial All India Plough and Cattle Census, 1934-35, requesting them to approach the authorities concerned with a view to inclusion of iron ploughs, sugar-cane crushers, tractors, oil engines and pumps in use throughout the country. The Committee thereupon addressed the Director General of Commercial Intelligence and Statistics, and the Imperial Council of Agricultural Research in this connection stating that such an inclusion would prove of great value to manufacturers of these articles in the country itself.

Result of an Enquiry into the nature of demand for various types of Indian Cotton for Export by Sea and for consumption in Indian Mills.

The Committee were informed by the Indian Central Cotton Committee that they had adopted for the last 4 cotton seasons

a method of enquiry into the nature of the demand for various types of Indian cotton for export by sea and for consumption in Indian mills. The method adopted was to circularise all known exporters and managing agents or managers of mills in India requesting them to give the required information in the forms supplied to them. It was gratifying to note from the statements forwarded by the Indian Central Cotton Committee that the response to the Central Cotton Committee's request was satisfactory and that the difference between the reported totals and actual exports or consumption was not considerable. As it was desired that these enquiries should be continued in future, the Indian Central Cotton Committee invited comments and criticisms on the method, scope and results of the same. The Committee in expressing their views were glad to note that the results of the enquiry had been found satisfactory. They suggested in this connection that various mills in India should be requested to supply, along with the particulars already being supplied by them, in a separate column information to show for spinning what count or counts of yarn each particular kind of cotton was mixed. This information, the Committee felt, would be of great value.

Conference convened by the Government of Bombay re: Exportation of Fruit.

The Government of Bombay informed the Committee that the question of exportation of fruit from the Presidency overseas to Europe was under their consideration. In that connection it had been decided to hold a Conference of representatives of shipping companies, the Railway authorities and other interests concerned. The Committee were requested to send their representative to that Conference. Sheth Mathuradas Vissanji, Vice-President, represented the Chamber at the Conference which was held on 28th July at the Secretariat.

Trade Classification of Cotton.

A joint committee of representatives of the various Associations in the City interested in the Cotton Trade had before them during the year the question of standardised trade clas-

sification of the various varieties of cotton. A sub-Committee of this *ad hoc* Committee prepared a draft of the main heads under which the various cotton districts of India should be grouped with a view to formulate a scheme of trade classification which would serve the requirements of the cotton trade and also help the Director General of Commercial Intelligence and Statistics to issue more accurate forecasts of cotton than at present.

The Director of Agriculture, Bombay, Presidency, invited the views of the Chamber on this draft classification. The Committee in reply, generally approved of the recommendations on the draft and commended the acceptance by Government and the trade of the same.

Diversion of the Cotton Trade from Bombay to Karachi and Kathiawar Ports.

The East India Cotton Association, Bombay, appointed a Sub-Committee to confer with representatives of sister Commercial Associations in the City and the Bombay Port Trust with a view to making a joint representation to the Government of Bombay for reduction if not complete abolition, of the Town Duty of Re. 1/- per bale levied on cotton, as such a levy contributed materially towards diverting the cotton trade of the City to other ports. The Chamber was invited to nominate a representative on the Sub-Committee, and accordingly Mr. Chunilal B. Mehta was nominated to represent the Chamber.

Greater use of Indian Cotton in the United Kingdom.

Under Article 8 of the Ottawa Trade Agreement, His Majesty's Government in the United Kingdom undertook that "they will co-operate in any practical scheme that may be agreed between the manufacturing, trading and producing interests in the United Kingdom, and India for promoting, whether by research, propaganda or improved marketing, the greater use of Indian cotton in the United Kingdom." In this connection the Indian Central Cotton Committee, at their meeting held on 2nd February, passed the following resolutions :

"The Indian Central Cotton Committee is of opinion that the practical method of increasing the use of Indian cotton in Lancashire is to give a tariff preference to Indian cotton by levying a duty on non-Empire cotton.

"In the meantime, (1) the Technological Research Sub-Committee be instructed to take up the question of the best means of utilising Article 8 of the Ottawa Trade Agreement and to collaborate with the Committee established in Lancashire, and (2) that any member of the Sub-Committee or of the Central Cotton Committee visiting England during 1933 be invited to get into touch with the Lancashire Committee."

At the suggestion of the Chamber's representative on the Central Cotton Committee, the Committee drew the attention of Government to the above resolution, and enquired of them as to what action Government proposed to take in the matter. In reply, the Committee were informed that the Government of India had taken due note of the resolution passed by the Indian Central Cotton Committee and that the same had been brought to the notice of the India Office.

Malpractices in the Marketting of Yarn.

The Southern India Chamber of Commerce, Madras, forwarded a copy of a letter from the Director of Industries, embodying certain allegations against methods of marketing cotton yarn, and invited the views of the Chamber on the suggestion that some legislation should be enacted to prevent the same.

The Committee, in reply, informed that the names of such mills as were found to be adopting alleged malpractices should be disclosed. It was obviously difficult to make investigation in the matter without such necessary information. At the same time, the Committee held the view that if the grievances complained of were not covered by relevant Sections, 6 and 7 of the Indian Merchandise Marks Act 1889, a fresh legislation would be necessary.

Currency and Exchange restrictions in Portuguese East Africa

The attention of the Committee was drawn to a Memorial submitted to the Portuguese Government by the Indian merchants residing and trading in Portuguese East Africa setting out in detail the grievances and hardships entailed on the Indian merchants in that territory by the recent regulations of that Government regarding Currency and Exchange. The Committee forwarded a copy of the memorial to the Government of India and strongly urged upon them the necessity for diplomatic intervention with a view to securing redress to the Indian mercantile community from the grievances referred to.

State Aid to Minor Industries in the Presidency.

The Government of Bombay invited the views of the Committee on a scheme prepared by the Director of Industries for State aid to minor industries in the Presidency. The central feature of the scheme was the proposal to levy a cess on industrial concerns in the Presidency of Bombay. The cess was intended to be, in the beginning, on the basis of 8 annas per year per horse power installed in an industrial concern. The proceeds of the cess were to be utilised in financial aid to industries, financial aid to industrial and technical education, experimental and research work, etc.

The Committee, in reply, informed the Government that much as they welcomed the principle of State aid to industries, they could not countenance any proposal for further taxation of industrial enterprises and therefore were opposed to the scheme as it stood.

Competition of Jail Industries with Private Enterprise.

It was brought to the notice of the Committee that recently the Indian Stores Department had purchased from the Central Jail, Bhagalpore, and Jail Depot, Calcutta, barrack blankets to the detriment of the Indian woollen mill industry. The Committee

in addressing the Government of India expressed grave apprehensions in regard to the policy adopted by the Indian Stores Department of purchasing their requirements from jails. They recalled in this connection the opinion expressed by them in 1926 when they submitted their views to the Jail Industry Enquiry Committee appointed by the Government of Bombay that the establishment of power-driven machinery inside jails was undesirable and as such should not be allowed. The Committee were strongly of opinion that the views expressed by them at that time applied with greater force now in regard to the particular case under reference, in asmuchas the indigenous woolen mill industry was very much handicapped through the competition from foreign manufacturers. Under such circumstances, the Committee emphasised that Government should help the indigenous woollen mill industry by purchasing their requirements from them and put a stop to the practice of buying from jails. They further suggested that Government should instruct the Indian Stores Department and various other Departments accordingly.

Annual revision of the list of articles specified in the Seaborne Trade Returns.

The Committee were asked by the Director General of Commercial Intelligence & Statistics to forward suggestions, if any, in regard to the annual revision of the list of articles specified in the Seaborne Trade Returns. They forwarded the following suggestions for inclusion in the above :

1. Figures re : quantity and value for woolen and worsted yarns, Hosiery Manufactures, knitting wool and Berlin wool blankets and rugs other than floor rugs be separately shown in the monthly returns.

2. With regard to imports of woollen piecegoods, the quantity to be given in square yards instead of in yards as at present.

3. Figures in quantity and value for sizing flannels, clearer cloth, roller cloth and Hair belting yarn to be separately shown from each country with share of different Indian ports.

Complaint of Indian Manufacturers of Gramophone Records in the matter of Copyrights of Songs, etc.

The attention of the Committee was drawn to the difficulties experienced by manufacturers of gramophone records in India in the absence of any recognised body registering copyrights for songs, as in England and other countries. It was pointed out that the Indian Copyright Act, Section 19 (2) (b) while providing that copyright could be obtained by any manufacturer by giving due notice to the owner of such copyright and by paying the fees prescribed under the Act, did not contain any provision in regard to the creation of a body or bodies for registering and regulating such copyrights. Under the circumstances it was difficult for manufacturers of records to know about copyright of songs recorded in India. The Committee thereupon addressed the Government of India emphasising the necessity of creating a central body to regulate registration of copyrights of songs, etc., and urging that early steps be taken in that direction.

Proposal to discontinue the publication of the Provincial Administrative Reports on the working of the Indian Companies Act.

The views of the Committee were invited by the Government of Bombay on the above proposal on the ground of the present financial stringency. The Committee were informed that certain particulars pertaining to the working of the Act in the Provinces could be incorporated in the monthly reports published by the Department of Commercial Intelligence and Statistics under the title ; Establishment and Working of the Joint Stock Companies in British India. The Committee in reply expressed their regret that at a time when the Government of India had announced their decision to conduct an Economic Survey of India, the Government of Bombay thought it advisable to bring forward the above proposal. They observed that it was the standing grievance of the Commercial community that the Intelligence and Statistical Service, both of the Central and Provincial Governments, was extremely meagre. The publications now proposed to be discontinued were useful not only to the commercial community for reference purposes but also to students of economics for research purposes. Under these circumstances, the Committee

were strongly opposed to the proposal to discontinue the publication of these Reports.

Discontinuance of the Publication of Bi-monthly Lists of Stores indented for by Government Departments from abroad.

The Committee considered the proposal from the Chief Controller of Stores, Indian Stores Department, to discontinue the publication of the Bi-monthly lists of stores indented for by Government Departments from abroad. In 1924, when such a proposal was first referred to them the Committee had opposed it and had suggested that the price of the lists should be reduced, and added that such publication was not intended to make profit, or even to pay its own way, but to help the economic development of the country by encouraging the manufacture in the country of such articles as were being imported. As an alternative they also suggested its publication as Supplements to the Indian Trade Journal, or at least as six-monthly lists if not bi-monthly ones. The proposal to discontinue the publication was not given effect to in 1924 in view of the opposition from various quarters. In 1930, the Chief Controller again addressed the Chamber, pointing out that the demand for the publication was increasingly diminishing and he did not see, therefore, any reason to continue its publication. The Committee at that time did not raise any particular objection to the discontinuance. They, however, took the opportunity on the present reference to reconsider the whole position and felt that there was a real need for the publication of such lists because these were the only means through which Indian manufacturers could get an opportunity to see what articles were being imported from abroad. They, therefore, informed the Chief Controller of Stores that the publication should be continued and if it was not found feasible to do so, the same should be published six-monthly or as Supplements to the Indian Trade Journal from time to time.

Proposal to discontinue publication of Annual Statement of Seaborne Trade and Navigation of Bengal, Bombay, Sind & Madras.

The views of the Committee were invited by the Director General of Commercial Intelligence and Statistics on the proposal

to discontinue the publication of the Annual Statements of Seaborne Trade and Navigation of Bengal, Bombay, Sind and Madras. The Director General in explaining the proposal observed that the publication involved considerable expenditure which the present finances of the Government did not permit. He added that Government had decided that publication of these Statements should be discontinued with effect from 1931-32. They would, however, continue to be compiled in manuscripts for a period of two years, to enable the Local Governments and various commercial bodies to get information from the different Customs Houses.

The Committee in reply expressed their surprise that the Department of Commercial Intelligence and Statistics should have brought forward a proposal for dicontinuing the publication of whatever meagre statistical information which was being made available to the public in general and the commercial community in particular. They pointed out that the Indian commercial community had always been complaining about the paucity of statistical information available in this country. The publications which were now being proposed to be discontinued were helpful in various ways to the trade and commerce of the Provinces concerned. Under the circumstances they were strongly opposed to the proposal.

Government in reply observed that the publication of these statements had been discontinued, and the Committee's objections to the same were noted. The Committee again reiterated their previous protest against the step.

Issue of new Five and Ten-Rupee Currency Notes.

The Committee addressed the Government of India regarding the issue of the new Five and Ten Rupee Currency Notes of smaller sizes than those of the previous issue. They observed that Government must have received complaints from various quarters regarding the unsuitability of these new notes, particularly in the mofussil. Reports were not wanting that these notes were quoted at a discount and agriculturists refused to

accept them. The Committee, therefore, requested Government to let them know as to why Government thought it fit to introduce the new Five and Ten Rupee Notes of smaller size.

Articles of Association of the Central Bank of India.

The attention of the Committee was drawn by the Bombay Shareholders' Association to the proposal made by the Central Bank of India to amend its Articles of Association, with a view to arm the shareholders of the Bank with powers to compel under certain circumstances a shareholder to sell or transfer his shares. The object of the amendment and terms thereof were dealt with in the public press exhaustively and are known to members too well to need repetition here. The Shareholders' Association invited an expression of the views of the Committee on the proposed amendment. The Committee in reply informed the Association that, while they did not approve of the resolution as framed by the authorities of the Bank, they were of opinion that the difficulties under which Joint Stock Companies were labouring required more detailed consideration.

Personnel of the Indian Delegation to the World Economic Conference (London).

The Committee addressed the Government of India lodging their emphatic protest against the personnel of the Indian Delegation to the World Economic Conference which was held in London. They deplored the attitude of Government in persistently disregarding the considered views of the Indian commercial community expressed time and again that the Indian Delegations to International Gatherings and Conferences, etc., should always be preponderatingly and pre-eminently Indian in character. They pointed out that the personnel of the Indian Delegation to the World Economic Conference was predominantly non-Indian in character and that the leader of the Delegation was neither an Indian nor even a member of the Government of India. They particularly objected to the devise of instituting a Consultative Committee to the Indian Delegation at that Conference. The Committee urged, in conclusion, that Government

should henceforward lay down as their permanent policy that Delegations on behalf of India to International Gatherings and Conference would be predominantly and pre-eminently Indian in character.

Amendments to the Rules of the Native Share & Stock Brokers' Association.

The Government of Bombay invited the views of the Committee on the various amendments, the more important of which are explained below, proposed by the Native Share & Stock Brokers' Association.

Two amendments were proposed to Rule 252 :—(1) to provide that "there shall not be any restrictions on the transfer of fully paid shares," and (2) that "in the case of contributory shares the Company may have a lien only for all monies called or payable at a fixed time in respect of such shares."

The Committee approved of these two amendments subject to a proviso that the same should apply only to Companies to be registered hereafter. They were generally in agreement with all the other amendments.

Draft Amendments to the Bye-laws of the East India Cotton Association, Ltd.

The views of the Committee were invited by the Government of Bombay on the draft amendments to the Bye-laws of the East India Cotton Association, under Section 6 (1) of the Bombay Cotton Contracts Act, 1932. They were in connection with the Trading Ring bye-laws to regulate trading in cotton for future delivery. The necessity for these amendments arose out of the fact that the Association had recently taken over the control of the future trading operations in cotton of the Marwari Bazar.

The Committee had no objection to the proposed amendments, except with regard to Bye-law No. 177, to which they suggested an amendment to the effect that " no person shall be allowed to trade in the Ring unless the principal for whom he worked undertook the liability for his transactions."

Substitution of a new bye-law to bye-law No. 52 of the East India Cotton Association.

On a reference from the Government of Bombay, the Committee in expressing their views on the new Bye-law No. 52 proposed to be substituted in place of the old one, providing for emergency in trading in one or more hedge contracts and/or delivery contracts for the sale or purchase of cotton generally or of cotton of any description and fixing rate or rates above a maximum or below a minimum in such circumstances, observed that they had no objection to the proposal.

Revision of the Rules and Regulations and Bye-laws of the Federation of Indian Chambers of Commerce and Industry.

The views of the Chamber were invited by the Federation of Indian Chambers of Commerce and Industry on the proposals for revising the Rules and Regulations and additions and alterations in the Bye Laws of the Federation. The proposed amendments, both to the Rules and Bye-Laws related to the introduction of some important changes therein. After carefully considering the matter, the Committee forwarded their views on the various proposals.

Representatives of the Chamber to the Annual Meeting of the Federation of Indian Chambers of Commerce and Industry.

The following four gentlemen were nominated to represent the Chamber at the last Annual Session of the Federation of Indian Chambers of Commerce and Industry :—

Mr. Mathuradas Vissanji,

Sir Purshotamdas Thakurdas, Kt.,

Mr. A. D. Shroff, and

Mr. Ebrahim G. Currimbhoy.

The Committee also nominated all of them for election as members of the Executive Committee of the Federation for 1933.

Representative of the Chamber on the Indian National Committee of the International Chamber of Commerce.

Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E., was nominated as the representative of the Chamber to the Annual Session of the Indian National Committee of the International Chamber of Commerce held at Delhi on 16th April 1933.

Resolutions to be moved at the Annual Meeting of the Federation of Indian Chambers of Commerce and Industry.

The Committee sent to the Federation of Indian Chambers of Commerce and Industry resolutions on the following subjects for being included in the Agenda before the annual meeting of the Federation held in April last

(1) Constitutional Reforms,
(2) Financial Safeguards ;
(3) Commercial Safeguards ;
(4) Reserve Bank ;
(5) Budgetary provision of the Government of India ;
(6) The adverse balance of Trade ;
(7) Commercial Treaties ; and
(8) Development of an Indian Mercantile Marine.

V. GENERAL

Views of the Committee on the Speech of Sir Samuel Hoare, Secretary of State, at the close of the Third Round Table Conference.

The Committee after fully considering the speech of Sir Samuel Hoare, Secretary of State for India, at the concluding session of the Third Round Table Conference, as reported in the Press, published their views on the same.

At the outset, they expressed their deep dissatisfaction at the fact that after three successive sessions of the Round Table

Conference even the designs and drawings of structure of the future Indian Constitution were not clear to any one.

As regards Financial and Commercial Safeguards, with which the Indian Commercial community was vitally concerned, the Committee did not agree with the opinion expressed by Sir Samuel Hoare. They considered the suggested safeguards, if not as a stone-wall that blocked the road, at least as big impedimenta which made the road almost impassable.

With regard to the establishment of Reserve Bank, the Committee opined that it must be an Indian Institution with Indian Capital and should not be controlled by any interests outside the country. The Committee strongly objected to the halting method in which the transfer of the financial control was proposed to be given.

With regard to Defence, there were even greater restrictions and limitations. It was the emphatic opinion of the Committee that without these two important portfolios of Finance and the Army, free and untrammelled in Indian hands, it was impossible to regard the new Constitution as in any way approaching the Dominion Status, which all sections of the Indian people had demanded and which had been promised in the past.

In conclusion, the Committee observed that so far as could be seen nothing had been laid down to the satisfaction of the Indian commercial community, and not only that, whatever little was indicated was entirely unsatisfactory.

Release of Mahatma Gandhi and other Political Prisoners.

The Committee sent a telegram to His Excellency the Viceroy on the 4th January, 1933, urging the immediate release of Mahatma Gandhi and other Political Prisoners. They emphasised the necessity of creating a suitable atmosphere, if such cooperation as desired by the Secretary of State for India at the close of the Third Round Table Conference was to be secured with regard to the new Constitution. They expressed a hope that His Excellency would be pleased to accept their request.

White Paper on Indian Constitutional Reforms.

As members are aware the Committee convened an Extraordinary General Meeting of the Chamber on the 22nd April last to pass the following resolution on the White Paper:—

Resolution.

"This meeting of the Indian Merchants' Chamber, after having carefully considered the proposals contained in the White Paper for constitutional reforms, is of opinion that the scheme outlined therein definitely falls short of the pledges repeatedly given by His Majesty's Government to frame for India a Constitution as near as possible to that of a Dominion within the British Empire with such safeguards for a transitional period as may be shown to be demonstrably in the interests of this country. This meeting is convinced that the proposals now formulated are in certain respects positively retrograde and cannot but obstruct the growth and development of political responsibility and will defer indefinitely the attainment by India of a position analogous to that of any British Dominion. This meeting is further of opinion that the continued domination of Whitehall over the Indian Government, the vesting of extraordinary, sweeping and over-riding powers in the Governor-General and the Governors, the perpetuation of the recruitment and control of Services by the Secretary of State, the indefinite nature and extent of the transitional period, the Statutory prohibition of the right to discriminate in matters commercial, the absence of any provision to ensure increasing association of Indians in the control of Defence, the grant of a mere semblance of financial responsibility and the failure to provide for the automatic expansion of the Constitution are a few of the numerous features which are bound to cause continued friction in the actual working of the Constitution and must, therefore, be radically altered.

This meeting is also strongly of opinion that proper consideration of the White Paper cannot be obtained under the present circumstances when freedom of speech is generally denied and the Congress, which is the largest political organisation in the country, continues to be suppressed. This meeting, therefore,

feels that no useful purpose will be served by participation in the consideration of constitutional changes unless and until full political liberty is restored to every section of the population and measures are taken to ensure their co-operation, and that any attempt to thrust on the country a Constitution that is unacceptable to its people will, instead of allaying the present discontent, intensify it still further and will make the Constitution, whatever it be, altogether unworkable".

Accordingly, the resolution was passed, only one member dissenting.

Mahatma Gandhi's Fast.

At the meeting held on Tuesday, the 9th May 1933, the Committee prayed for the successful termination of the 21 days' fast commenced by Mahatmaji in connection with the Harijan movement. Thereafter they sent a telegram to Mr. Devadas Gandhi on the 30th May expressing their sense of deep relief and joy at the successful completion of Mahatmaji's fast. They also wished him speedy restoration to health and a long life in the service of the country.

Cable to the Right Honourable the Prime Minister regarding release of Political Prisoners in response to the temporary suspension of the Civil Disobedience Movement.

In a cable to the Prime Minister the Committee regretted that the peace gesture made, under the advice of Mahatma Gandhi, by the Acting President of the Congress had not met with a sympathetic response from the Government of India. They considered it essential that such members of the Working Committee of the Congress as were in jail should be immediately released so as to enable them to review the political situation. They, therefore, appealed to the Prime Minister to direct the Government of India to release the members of the Working Committee of the Congress who were in jail. They added that such a step would not only contribute materially to the restoration of peaceful atmosphere in the country, but would also prove a source of strength to Mahatma Gandhi during his fast.

Mahatma Gandhi's Fast owing to lack of facilities with regard to work for the Untouchables.

On the 18th August the Committee sent the following telegram to the Government of India and the Government of Bombay:

> "Committee Indian Merchants' Chamber are deeply concerned at the report that Mahatma Gandhi has commenced another fast since Wednesday. The reason is said to be lack of facilities with regard to the work for untouchables. Committee profoundly regret, if this is so, that Government should have curtailed facilities which he enjoyed before his recent release under the plea that he is no longer a State Prisoner. Committee cannot contemplate the consequences of such a fast in his present surroundings and apprehend that Government are undertaking a serious responsibility in denying to Mahatma Gandhi facilities for his work for untouchables. They urge that Government will not be bound down by any petty technicalities of procedure or rules and will afford him all facilities as before."

On the 22nd August the Committee sent the following telegram to the Private Secretary to His Excellency the Viceroy and the Private Secretary to His Excellency the Governor of Bombay :—

> "Committee Indian Merchants' Chamber feel seriously concerned over the alarming state of Mahatma Gandhi's health. They regret Government have not yet acceded to the requests from all over the country to allow him all the facilities for Harijan work that were extended to him before. Committee earnestly appeal to His Excellency to set Mahatma Gandhi unconditionally at liberty to save his life which is cherished by millions as a precious asset of the nation. They consider that every moment that passes is in the present state of his health critical. Committee request me also to inform His Excellency that they have adjourned without transacting any business to mark their sense of the gravity of the situation".

Amendment to the Auditor's Certificates Rules, 1932.

The views of the Committee were invited by the Government of Bombay on the proposed amendments to the Auditor's Certificates Rules, 1932. In forwarding their views, the Committee observed that they could not understand the reason why Government had thought it desirable to amend Clause 4 to Rule 4 of the Auditor's Certificates Rules in the manner proposed by them. They felt that the amendment under reference was undesirable inasmuch as it gave too wide a power to Government over members of the Accountancy profession. It was likely to be abused because persons convicted under political offences might be disqualified from enrolment on the Register under the amended clause. Instead, the Committee suggested that only those persons who were convicted by a competent Court of offences involving moral turpitude which were punishable under the Indian Penal Code and were under the provisions of the Criminal Procedure Code non-bailable, should be disqualified from enrolment. They were therefore strongly opposed to the proposed amendment.

With regard to the Proviso to Clause (*b*) of Rule 32, the Committee were of opinion that it was desirable that Undergraduates who had filled in terms for the G.D.A. course at recognised institutions and who had failed to get through the examination, the last of which would be held in 1934, should not be unduly prevented from appearing at the first examination for R. A. Diploma under the rules in force. They therefore requested Government so to modify the proviso as to permit such Undergraduates to appear at the R. A. Examinations.

Rule 8 of the Auditors Certificates Rules, 1932, re: Enrolment on the Register of Accountants.

The Committee received complaints from some auditors, who were members of the Chamber, regarding Rule 8 of the Auditors Certificate Rules, 1932, regarding enrolment on the Register of Accountants. It was pointed out that this rule was specially

inserted to enable the All India Accountancy Board to admit claims of those who were theoretically trained in Accountancy and Auditing and had practical experience but who on account of forced circumstances could not go in for the required period of service under the Articles. Nearly 50 persons from all over India had applied to the Board for enrolment under this rule and all of them with the exception of two had been rejected. The Committee in addressing the Government of India on the subject, observed that from the list of persons who had applied, it appeared, that all of them had good theoretical training and practical experience in the profession, some of them having experience of over 20 years and holding responsible positions. In the new rules, 1932, nine years service was recognised as equivalent to three years Articles. The Committee could not understand why independent practice for the same length of period was not recognised as equivalent to three years Articles. As Rule 8 would expire on 31st March 1934, the Committee observed, persons who were otherwise qualified and had ample practical experience in accounting and auditing would be debarred from enrolment on the Register for all time under the new rules. They were, therefore, of opinion that the complaint about Rule 8 was well-founded, and urged the Government of India to reconsider the claims of persons who had applied for enrolment under Rule 8.

A reply was received from the Government of India saying that all the applications under the Rule were very carefully considered, and such applications as were found to be worthy of recognition under the Rule for enrolment were accepted in the interest of efficiency of the profession, and the rest were not accepted.

The Committee, in reply, observed that the reply from the Government was not satisfactory. They understood that out of 50 applications all were rejected except two, and applications from people like Mr. Maneklal Mehta of Bombay, M. S. P. S. Iyer of Rangoon and others who hold responsible position in the profession for a number of years were rejected. The Committee asked if it could be said that applications such as these were very carefully considered by the Accountancy Board. They

felt that the decision taken by the Board could not be justified and that the board had done injustice to deserving persons. They, therefore, again urged the Government of India to reconsider the various applications particularly in view of the fact that Rule 8 would expire on 31st March 1934 and deserving persons ought to have the benefit of the Rule.

Rule 2 of the Restricted Auditors Certificate Rules, 1932.

The Committee received protests from members of the Chamber regarding Rule 2 of the Restricted Auditors Certificate Rules, 1932, which laid down that every year holders of the Restricted Auditors Certificates intending to continue their practice as Auditors should send a report to that effect to the Government of India, which was strongly resented by members of the profession.

The Committee in addressing the Government of India observed that such a condition was humiliating to members of the profession and therefore requested that the same should be withdrawn immediately.

Transfer of the Civil Administration of Aden.

The Government of India invited the views of the Chamber on the proposal to transfer the Civil Administration of Aden to His Majesty's Government. It will be remembered that the Chamber had consistently in the past opposed the efforts of the Government to separate Aden from India. In the present communique, the Government advanced the following reasons in favour of the transfer :—

(1) Aden was geographically remote from India ;

(2) Aden would not naturally fit into the new Federation; and

(3) The existence of Imperial control in Aden and its affinity to Aden Protectorate.

The Committee, in reply, pointed out that (1) Aden was geographically not more remote from India than from Great Bri-

tain ; that (2) if incongruous units, like Indian States, would fit into the Federation, there was no reason why Aden, which had remained as a part of Bombay Presidency should present any difficulty on the score of Federation ; and (3) that the Imperial control had existed since a long time and for that reason the administration was not found to be difficult.

The Committee reiterated the objection in principle to the transfer and added that the financial bait of a saving of Rs. 20 lakhs to the Indian exchequer did not in the least appeal to them.

Closing of the St. George's Hospital.

The Committee considered the recommendation of the Bombay Re-organisation Committee proposing the closing of the St. George's Hospital. They addressed the Government of Bombay in that connection, strongly supporting the recommendation of the Thomas Committee. They pointed out that there was no justification for having a separate hospital for Europeans in the City at the cost of the taxpayers of the Presidency, particularly in view of the fact that there were available in the City upto-date and modern hospital accommodation in several other hospitals, and further the accommodation at the disposal of the St. George's Hospital was hardly fully availed of. Under such circumstances, the Committee strongly urged Government to close down the St. George's Hospital and sell off the land and building, and thus effect a substantial saving to the finances of Government which ought to be welcomed in their present financial position.

Committees of Inspection for Central and District Prisons in the Presidency.

The Committee addressed the Government of Bombay, supporting the representation of the Buyers & Shippers Chamber, Karachi, urging on Government to introduce the system of election of the personnel of the Jail Committees by asking various local bodies and commercial Associations in the Presidency to

send their representatives to serve on them. They pointed out that there was great room for improvement in the Jail Administrations in the Presidency, and such representative Committees of Inspection would go a long way to improve the conditions of Jail Administrations. Such a system was in vogue in the advanced countries of the West, and the Committee requested Government to bring the Jail Administration in the Presidency into line with those of the advanced civilised countries of the world.

The Whipping Bill.

The Bombay Government introduced in the Legislative Council a Bill to provide that persons guilty of rioting or abetting riots may be punished with whipping. In the statement of Objects and Reasons annexed to the Bill, it was contended that the powers sought for were aimed at, and meant to be used for the prevention of communal riots, but the Bill as drafted covered any form of rioting, and rioting according to the Sections of the Criminal Procedure Code covered every form of gathering and meeting. The Committee therefore addressed a letter to the Government of Bombay vehemently protesting against the resort of whipping as a punishment. They asserted that whipping was a relic of barbarism and was condemned by all penologists. They therefore urged Government to withdraw the Bill.

Employment of two Counsel on each side in every case in the Bombay High Court.

The Committee received and noted the contents of a letter from the Prothonotary and Senior Master, His Majesty's High Court, Bombay, regarding an impression widely prevalent in the minds of the public that the employment of two Counsel was obligatory in all cases filed in the Bombay High Court. The Prothonotary informed the Committee that it was very desirable that that wrong impression should be removed, as the Bombay High Court did not insist on the compulsory engagement of two Counsel in all cases, or indeed, in any case, though in heavy cases two Counsel might be desirable.

Visa Fees on Passports of Persons proceeding to Iraq and certain small States in the Persian Gulf and in the vicinity of Aden.

The Committee, on receiving a complaint from the Buyers and Shippers Chamber, Karachi, about the visa fees of Rs. 7/- being collected by the Government of India as agents of the British Foreign Office on passports of persons proceeding to Iraq and certain small States in the Persian Gulf and in the vicinity of Aden, addressed a communication to the Government of India, Foreign Department. They pointed out that no visa fees on such passports were levied before 1932 and that the levy of this fee of Rs. 7/- was prejudicial to the trade and passenger traffic of India with the States concerned, which were very near to India. Moreover merchants had very often to go to these States for their business purposes. They also adverted to the fact that the labouring classes from the Makran and other places, who had to come to India to earn their livelihood and to return to their places very frequently, would suffer heavily by this fee. In short the introduction of this fee in these hard times had proved a great burden to the mercantile community and to the labouring classes mentioned above.

The Committee, therefore in strongly supporting the representation submitted by the Buyers and Shippers Chamber to the Government in the matter, requested the Government of India to approach the British Foreign Office and to impress them the urgent necessity of abolishing this levy under reference, which would be to the mutual advantage of both India and the States in question.

Recommendations of the Indian Drugs Enquiry Committee.

The views of the Committee were invited by the Surgeons General with the Government of Bombay on the recommendations of the Indian Drugs Enquiry Committee. The Committee in forwarding their views, observed that those recommendations were generally on the same lines as those suggested by them to the Enquiry Committee both in their written statement and oral evidence on the subject, in 1931. While approving of the eight major recommendations of the Enquiry Committee, the Committee suggested with regard to the first that Central Legislation

should be undertaken to control drugs and pharmacies on the lines mentioned therein. With regard to the next one, the Committee were of opinion that Central and Provincial Laboratories were necessary and suggested that the Central Laboratory should be located in Bombay and its establishment should be small and not on the large scale as recommended by the Enquiry Committee. They were further of opinion that the Central Laboratory should be in charge of qualified Indians. With regard to the recommendations re : registration of Pharmacies, proposed qualifications, institution of University courses and Degrees in Pharmaceutical Chemistry, compilation of Indian Pharmacopea, etc., the Committee were in agreement with them. The Committee strongly supported the recommendation that the import duty on manufactured drugs should be increased by 5 per cent. With regard to the institution of an Advisory Board, the Committee urged representation of the Chamber on behalf of the Indian commercial community.

Certification of Swadeshi goods.

It was mentioned in the report for the last year that the Chamber had in operation a scheme for certifying Swadeshi goods and that a special Board called The Swadeshi Certifying Board had been appointed to receive and consider applications for certificates. So far 61 certificates have been issued. The Committee cannot help recording that generally manufacturers are very apathetic in availing themselves of these certificates. It has been their experience that in some cases even after applications for certificates were made and granted the manufacturers concerned did not vail themselves of the certificate. It is felt that if organisers of Swadeshi Exhibitions and Bazars insist on the production of a certificate as a condition precedent to the allowing of exhibits, manufacturers would perhaps show a greater interest in the scheme. It may be added that a request in this direction has been made to the All India Swadeshi Sangh.

Commercial Examinations.

There were in all 165 candidates for the Commercial Examinations of the Chamber held in May 1933, being the 7th

year of the Examinations. Out of this 119 candidates were for the various Diploma Examinations and the remaining for single certificate Examinations. The results of the Examinations showed that 67 candidates were successful in the Diploma section and 14 in the single certificate section. It may be added that the first Examination under the new course for Insurance Diploma was held this year, and there were 8 students for this course, 6 for Diploma and 2 for single certificates. The Examinations were held in the following centres:

Bombay
Ahmedabad
Poona
Calcutta
Bangalore
Madras
Lahore
Saharanpur

Proposal of the Bombay Municipality for disinfection of secondhand clothing, Blankets, etc., imported into the City from overseas.

The views of the Committee were invited by the Government of Bombay on the measures proposed by the Bombay Municipality to ensure disinfection of second-hand clothing, blankets, etc., imported into the City from overseas. The Committee in expressing their views on the matter observed that they supported the proposal of the Bombay Municipal Corporation.

Nomination of Employers' Delegate to the 18th Session of the International Labour Conference.

In response to the Government of India Press communique dated the 26th September 1933, the Committee recommended the name of Raja Bahadur Govindlal Shivlal, a large employer and a prominent industrialist for being nominated as Employers' Delegate to the 18th Session of the International Labour Conference.

First International Exchange Congress.

The Committee nominated Messrs. K. P. Mehta, D. S. Erulkar, and Prof. G. R. Sahgal, as delegates to represent the Chamber at the First International Exchange Congress held at Paris from 24th April to 30th April, 1933.

VII. Congress of the International Chamber of Commerce.

The Seventh Congress of the International Chamber of Commerce was held at Vienna from 29th May to 3rd June, and in response to an invitation from the Indian National Committee of the International Chamber, the Committee appointed Mr. Ebrahim G. Currimbhoy as their Delegate to the Congress.

Representatives of the Chamber on the Cotton Trade Classification Committee of the East India Cotton Association.

The Committee being invited to nominate two representatives to serve on the above Committee by the East India Cotton Association, they appointed Messrs. Purshotam Jivandas and Bhavanji Arjan Khimji as such representatives.

Representative of the Chamber on the Improvements Committee.

Mr. Mathuradas Canji Matani, representative of the Chamber on the above Committee, having resigned Mr E. R. Hirji-Behedin was appointed in the vacancy. It may be added that under the new arrangement, amalgamating the Trust with the Municipality the Chamber and the other public bodies have no direct representation on the Committee.

Interview with the Hon'ble Mr. Peri Sundaram.

On 24th April, the Committee met the Hon'ble Mr. Peri Sundaram, Minister for Labour, industries and Commerce of the Government of Ceylon. The question of the extention of the Indo-Ceylonese trade was discussed, and particularly the import trade in Ceylonese Copra and Cocoanut Oil. Mr. Sundaram spe-

cially argued the case for the reduction, if not the total abolition, of the import duty on Copra and Cocoanut Oil.

Tragic occurrences at the Andamans.

The Committee sent a telegram to H. E. the Viceroy expressing their distress over the news of the deaths of three detenus at Andamans in tragic circumstances. They urged a public enquiry into the matter and strongly appealed to Government to bring back the detenus and other prisoners from the Andamans which had been condemned as unfit for penal settlement.

The late Sir Dinshaw Petit, Bart., Mr. Sorabji E. Warden, and Mr. P. J. Murzban.

In the deaths of Sir Dinshaw Petit, Bart., Mr. Sorabji E. Warden, and Mr. P. J. Murzban, the Chamber lost three of its old members. Sir Dinshaw and Mr. Warden were for sometime members of the Committee of the Chamber. The Committee put on record their sense of loss at the death of these eminent members.

Death of Sjt. J. M. Sen-Gupta.

The Committee sent a telegram to Mrs. J. M. Sen-Gupta, expressing their deep sorrow at the sad death of Sjt. Sen-Gupta, in whom the country had lost a great patriot who had made tremendous sacrifices towards the cause of his Motherland. They offered their condolences to Mrs. Sen-Gupta and other members of the family in their bereavement.

Death of Sjt. Vithalbhai J. Patel.

The Office of the Chamber was closed on 23rd October as a mark of respect to the memory of the late Mr. Vithabhai J. Patel, ex-Mayor of Bombay and ex-President of the Legislative Assembly. Sheth Mathuradas Vissanji, Vice-President, presiding at the Third Quarterly General Meeting of the Chamber, feelingly

referred to the great loss the country had suffered in the death of Sjt. Vithalbhai Patel. He observed that Sjt. Vithalbhai was a fearless fighter all his life and India was decidedly poorer through the death of this great son of hers. Through the critical times which the country was passing at present, Mr. Patel would have been able to render still greater service with his vast experience in political and constitutional questions and with his farsighted political views.

Membership of the Chamber.

At the beginning of the year there were in all 500 members. During the year 19, members were elected and 30 members discontinued their memberships, (22 having resigned, 4 having been struck off the rolls for arrears of subscription and 4 having died). There are thus now on the rolls 489 members.

Statement of Accounts of the Chamber.

The statement of accounts of the Chamber for the year ending 31st December 1933 with the Auditors Report is annexed hereto.

It will be observed therefrom that a sum of Rs. 3,896-14-0 has been received as contribution from the representatives of the Chamber on the various public bodies. The best thanks of the Committee are due to the gentlemen who have made these contributions.

THE INDIAN MERCHANTS' CHAMBER.

Dr. *Receipts and Payments Account from 1st January 1933 to 31st December 1933.* **Cr.**

RECEIPTS.

	Rs.	a.	p.	Rs.	a.	p.
To Balance brought forward as per last year's account				49,218	10	5
,, CAPITAL FUND:—						
19 New members @ Rs. 100 each				1,900	0	0
Less—Admission fee of one member received last year.				100	0	0
				1,800	0	0
,, MEMBERSHIP SUBSCRIPTION:—						
358 Resident Members @ Rs. 75 each				2,6850	0	0
64 Limited Companies @ ,, 100 ,,				6,400	0	0
45 Mofussil Members @ Rs. 25 ,,				1,125	0	0
25 Association Members @ Rs. 125 ,,				3,125	0	0
Outstanding realised .. .. ,,				4,569	9	0
				42,069	9	0
Less—Subscription outstanding ..	Rs.	5,950	0 0			
Last year's bad debts, 8 @ Rs. 75, 2 @ Rs.25 and 1 @ Rs. 19-9-0 ..	,,	669	9 0			
Subscription received last year of two Mofussil Members @ Rs. 25 each ..	,,	50	0 0			
				6,669	9	0
				35,400	0	0

PAYMENTS.

	Rs.	a.	p.
By Establishment charges.	24,943	0	0
,, Rent, Insurance & Electric Charges ..	3,467	12	0
,, Telephone Rent	577	0	0
,, Postage & Telegrams	1,937	1	6
,, Printing Reports, etc.	4,545	2	0
,, Printing Journal	1,760	8	0
,, Stationery	1,607	11	6
,, Commercial Examinations (including expenses, honorarium etc.)	1,631	12	0
,, Legal Charges	380	0	0
,, Subscription to newspapers & periodicals. ..	606	7	3
,, Books for Library:—			
From Chamber's account	606	9	9
,, B.F. Madon Portrait Fund surplus	172.	8	0
,, Miscellaneous charges..	230	4	9
,, Upkeep of Library	90	4	0
,, Carriage Hire	252	14	6
,, Chairs Hire	69	2	0
,, Commission on Advts. in Journa	202	4	0
,, Auditor's honorarium for 1932	100	0	0
,, Repairs to Typewriters, etc.	184	2	0
,, Membership subscription to Federation of Indian Chambers of Commerce & Industry.	150	0	0
,, Membership subscription to Indian National Committee, International Chamber of Commerce. ..	75	0	0
,, Contribution to the Indian Chamber of Commerce in Great Britain, London	28	8	0
,, Deposit with Central Publication Branch, Government of India	5	1	6

Payment received in advance of one old mofussil member @ Rs. 25.	25	0	0			
				35,425	0	0
To Contributions from Chamber's representatives on various public bodies				3,896	14	0
,, Fees for Commercial Examinations				2,155	0	0
,, Interest from investments & current accounts.				1,122	13	0
,, Advertisements in Journal				1,037	4	0
,, Subscription to Journal				168	0	0
,, Fees for Certificates of Origin.				590	0	0
,, ,, Swadeshi Certificates				340	0	0
,, Advts. in Syllabus for Commercial Exams.				74	0	0
,, Sale of Members' Lists, etc.				197	0	0
,, ,, Syllabus and Question Papers re: (commercial examinations)				42	13	6
,, Preliminary fee for Swadeshi Certificate				35	0	0
,, Sundry receipts				17	4	0
,, Loan recovered from peon as per last year a/c				70	0	0
,, Deposit with Central Publication Branch as per last year's account.				22	4	6
Total Rs.				96,211	15	5

By Travelling expenses				121	14	0
,, Loans to a clerk and a peon (recoverable)				190	0	0
,, Office appliances (Gestetner Rotary)				617	8	0
,, Furniture & Fittings				272	10	0
,, Bank Commission				5	6	0
,, Suspense a/c (survey fee as per last year's account)				30	0	0
,, Office removal expenses				585	1	3
				45,445	8	0
,, BALANCE :—						
,, CAPITAL FUND :—	Rs.	a.	p.	Rs.	a.	p.
,, 5% Govt. Loan of Rs. 5000 (1945-55) at cost	5,425	0	0			
5% Municipal Loan of Rs. 10,000 at cost	8,862	8	0			
,, Fixed deposit with Bank of India @ 4 %	15,000	0	0			
,, In current a/c with Central Bank	5,012	8	0			
				34,300	0	0
,, OTHER INVESTMENTS :—						
4% Port Trust of Rs. 2000 at cost	2,025	0	0			
,, 6½% Development Loan of Rs. 3000 at cost	3,000	0	0			
				5,025	0	0
,, CASH :—						
,, In C/a with Central Bank	4,539	11	9			
,, In C/a with Bank of India	66,72	11	2			
On Hand	229	0	6	11,441	7	5
				50,766	7	5
Total Rs.				96,211	15	5

J. K. MEHTA
Secretary

MATHURADAS VISSONJI
Vice-President.

We have examined the above account of Receipts and Payments with books and Vouchers of the Indian Merchants' Chamber and certify the same to be correct.

DEVIDAS VITHALDAS & CO.
Auditors.

Bombay, 3rd January 1934

I. TRANSPORT AND COMMUNICATIONS.

APPENDIX I.

Issue of Bills of Lading without Mate's Receipt.

Letter No. 17-*M* 1/32 *dated 2nd November* 1932 *from Government of India, Commerce Department, to Chamber.*

I am directed to forward a copy of the papers noted in the margin and to request that the Government of India may be favoured with the views of your Chamber on the suggestion that legislation should be undertaken to provide that Bills of Lading should be issued only upon production of the Mate's Receipt. They would also be glad to receive any observations or suggestions that your Chamber may desire to make on the subject generally.

Letter from the Federation of Indian Chambers of Commerce and Industry, No. F 557, dated the 21st April 1932, and enclosures.

Letter No. F 557 *dated* 21*st April* 1932 *from the Federation to Government of India.*

I am directed to invite your attention to the discussion that took place during the Third Annual Session of the Federation held at Delhi on 14th, 15th and 16th February, 1930 (vide pages 176 to 190 of the Proceedings of the Session) with regard to Commercial Documents. The Sub-Committee which was then entrusted with the work of going fully into this question submitted a Report to the Federation and the Report was considered at the last Session held in Delhi on 26th and 27th March, 1932. I am enclosing a copy of the Resolution that was adopted at that session on the Report referred to above.

In accordance with that Resolution I am now forwarding to you for the use of the Government of India in the Department of Commerce a copy of the said Sub-Committee's Report along with

a Note submitted by Mr. M. A. Master and to request you to place the material before the Government of India with a view to introduce the necessary legislation on the lines recommended in the said Report.

I am further enclosing a copy of a Memorandum submitted by the Gunny Trades Association of Calcutta on the Report of the Sub-Committee of the Federation as well as a copy of a letter addressed by a Member of the Sub-Committee dealing with a particular point raised in the Note attached to the Sub-Committee's Report. These, I am sure, will be of interest to you in dealing with the contents of the Sub-Committee's Report.

REPORT OF THE COMMERCIAL DOCUMENTS SUB-COMMITTEE.

At the annual meeting of the Federation of Indian Chambers of Commerce a Sub-Committee was appointed to consider the question as to what may be done to protect the interests of intermediate dealers who have to pay the full value against Mate's Receipt, but who have sometimes been put to loss on account of the Shipping Company issuing Bills of Lading to the Shipper without production of Mate's Receipts.

The Sub-Committee met on various occasions from time to time and have considered the question from various aspects.

It appears that in a large number of mercantile contracts for example in the Jute and Hessian contracts in Calcutta, it is provided that the buyer has to pay the full value of the goods against Mate's Receipt. In a chain of transactions several intermediate dealers come into existence between the first seller, e. g. the Jute Mill and the ultimate buyer namely the shipper. Shipping instructions are sent by the ultimate buyer, namely, the shipper, and are psssed on through the intermediate dealers to the first seller, namely, the Jute Mill. In the course of things, the Contract of affreightment is between the shipper and the Shipping Company. The first seller, namely the Jute Mill, places the goods on board, and has to do so on account of the shipper who

entered into the contract of affreightment and who alone is recognised by the Shipping Company. The first seller gets from the ship's officers a document called the Mate's Receipt which is passed on through the intermediate dealers each of whom has to pay the full value of goods to the preceding seller. It has been held by the High Courts in India that a Shipping Company has connection only with the Shipper and if it issues to him the Bill of Lading without production of Mate's Receipt it is not liable to be intermediate dealers who may have paid for and hold the Mate's Receipt. As a matter of fact, pursuant to such legal position, several dealers in Calcutta have been put to big losses on account of the Shipping Company having delivered the Bill of Lading to the Shipper who failed to pay for and obtain the Mate's Receipt.

It is obvious that such a state of affairs necessarily involves dealers in huge losses when a Shipper fails to pay for the goods and obtain the Mate's Receipt. The shipper, however, still gets the goods through the Bill of Lading and obtains money against the Bill of Lading from the Bank. The intermediate dealers are thus left without any remedy against an insolvent shipper. As has already been stated, in recent times several intermediate dealers have been put to large losses on account of this position of the law and the practice in trade.

In this connection it may be further mentioned that one decision of the original side of the Calcutta High Court led to a feeling in the market that notice of lien on the goods may be given by intermediate dealers and as a result thereof the intermediate dealers started the practice of giving notices of lien to the Shipping Company. Such a practice is obviously undesirable even from the Shipping Company's point of view because a large number of notices in respect of the same goods are sent to the Shipping Company and it increases the work in the office of that Company. Besides a notice from an intermediate dealer in respect of Mate's Receipt obtained by him subsequent to the issue of the Bill of Lading to the Shipping has no legal effect towards giving any relief to the intermediate dealer who gives the notice. The Sub-committee in the circumstances think that a remedy such as this is not properly protective in its nature.

Some Shipping Companies have also adopted the practice of not issuing Bills of Lading without production of Mate's Receipt. Such a practice is certainly desirable, but has no binding force on any Shipping Company that may choose to issue a bill of Lading without production of Mate's Receipt, because the prevailing law permits the Shipping Company to do so with impunity. The practice of some Shipping Companies therefore cannot be relied upon as giving sufficient protection to the intermediate dealers who hold Mate's Receipts after having paid for the same. The practice, however, is evidence of the fact that no injustice would be done to Shipping Companies if the law is so altered as to make it obligatory upon the Shipping Companies to issue Bills of Lading only upon production of Mate's Receipt.

The Sub-Committee considered as to whether the practice prevalent in the market providing for payment against Mate's Receipt may be altered by providing some alternative method which would be free from the risk that at present attaches to the intermediate dealer. The Sub-Committee regret that they have not been able to find out any other suitable alternative method and have, therefore, had to come to the conclusion that the only recourse left to protect the intermediate dealers is to alter the law so as to provide that the intermediate dealer who has paid for the Mate's Receipt may not be left without any remedy, e. g., by being unable to have recourse to the relative goods.

The first alternative put forward by the Indian Chamber of Commerce namely that the Mate's Receipt may be made a document of title to goods has already been ruled out by the Government of India. In the circumstances the Sub-Committee do not press the same.

The best alternative seems to be that the Government of India may undertake legislation to provide that Bills of Lading may be issued only upon production of Mate's Receipt and if a Shipping Company issues a Bill of Lading without production of Mate's Receipt it would do so upon its own responsibility. Suitable provision should be made to give the holder of Mate's Receipt recourse to the goods either by providing that in a suitable cas

the holder of Mate's Receipt may call upon the Shipping Company to issue the relative Bill of Lading to him or in some other way which legal opinion may recommend. The Shipping Companies would not be put to any inconvenience or risk by such an amendment of the law as the value of the goods is invariably many times the amount of freight due to the Shipping Company. The Sub-Committee is, however, of opinion that in passing a law of the nature as above recommended no international complication arises because the Contract of affreightment is carried out within the country and must be governed by such local laws and regulations as may be passed concerning the same.

Sd. D. P. Khaitan,
Sd. H. P. Bagaria,
Sd. Chhotalal Sarawgee,
(Member co-opted on behalf of Gunny Trades Assn.)
8th January, 1932. Sd. M. A. Master,
(Subject to the note attached herewith).
21st January 1932.
Sd. Fakirjee Cowasjee,
26th January, 1932.

Note of Mr. M. A. Master on the Report of the Commercial Documents Sub-Committee subject to which he has signed that Report.

While I recognise the difficulties experienced by the intermediate dealers in the Jute and Hessian trade in Calcutta, owing to the practice existing in that trade of treating the Mate's receipt as a document of title to goods, I am not in a position to express any opinion that the trade cannot find any alternative method which would be free from the risk that at present attaches to the intermediate dealer. Care must be taken that in trying to get over the difficulties of one trade at one port complications are not created in other directions. The difficulties pointed out are really due to the fact that whilst law does not recognise Mate's Receipt,

the Hessian trade in Calcutta does. The only logical course is that the custom should follow law or the law should recognise the custom and I fear half-measures may create greater difficulties than what they remove. The first suggestion that was put forward before the Sub-Committee was that the Mate's receipt may be made a document of title to goods by law. It has been ruled out by the Government of India. The report states, "in the circumstances, the Sub-Committee do not press the same." I do not share that view of the Sub-Committee as I was opposed from the very beginning of making the Mate's Receipt a document of title to goods by law.

In view of the difficulties mentioned in the report I am agreeable to support the recommendation of the Sub-Committee that the Government of India may undertake legislation to provide that the Bill of Lading may be issued only upon the production of Mate's Receipt subject to the condition mentioned below. This proposal imposes a negative obligation on the ship-owner not to issue a Bill of Lading except on the production of the Mate's Receipt. That is not enough. The question as to whom the Bill of Lading should be issued is a very important one. If it is intended that it should be issued to the last endorsee which is tantamount to the virtual recognition of the Mate's receipt as a negotiable instrument, it is quite essential to protect the steamship owner against any dispute that may arise as to whether the Bill of Lading was issued in the right name. There must therefore be a provision that the steamer company would be entitled to issue a Bill of Lading to the party to whom the Mate's Receipt purports to be endorsed and that a Bill of Lading so issued shall be a complete discharge to the steamer company, against the original shipper, and all other parties claiming title to the goods. Without the express provision of such a clause by legislation, I do not think it would be fair to impose a merely negative obligation on the ship-owner as suggested by the Sub-Committee.

It is also necessary to take note of the fact that the Mate's Receipt will be endorsed from party to party and that if the suggestions are accepted, the steamer company will have to deliver the Bill of Lading to the last endorsee of the Mate's Receipt. This

is, as stated above, a virtual recognition of the Mate's Receipt as a document of title to goods, a status which the Government of India are not prepared to confer on the Mate's Receipt by a Legislative enactment.

I am also not competent to pronounce any opinion on the statement made by the Sub-Committee that in passing a law of the nature as recommended by them, no international complication will arise.

Bombay, 21st January 1932.

Sd. M. A. Master.

Resolution on Commercial Documents as passed at the Fifth Annual Session.

"That the Federation approves of the recommendations made by the Commercial Documents Sub-Committee and authorises the Committee to forward a copy of the said Report along with the note submitted by Mr. M. A. Master to the Government of India with a request to undertake the necessary legislation as recommended in the Report."

Sd.

Secretary.

Federation of Indian Chambers of Commerce and Industry.

(Copy)

8, Royal Exchange Place,
Calcutta.

18th April 1932.

To

The Secretary,
Federation of Indian Chambers of Commerce and Industry,
Bombay.

Dear Sir,

I beg to refer to the note attached by Mr. Master to the Report of the Commercial Documents Sub-Committee. Mr. Master has pointed out that the recommendations of the Sub-Committee would amount to a virtual recognition of the Mate's Receipt as a Document of Title to goods, a status which the Government of India are not prepared to confer on the Mates's Receipt by a legislative enactment. This has reference to the remark made in the Sub-Committee's report that the first alternative put forward by the Indian Chamber of Commerce, namely, that the Mate's Receipt may be made a Document of title to goods has already been ruled out by the Government of India.

This remark of the Sub-Committee was based on the opinion expressed by the Select Committee of the Legislative Assembly on the Sale of Goods Bill, which presented its report to the Assembly on the 28th January 1932. The Select Committee objected to making Mate's Receipt a Document of Title for the following reason. "If a Mate's aReceipt were treated as a Document of Title, then on the issue of a Bill of Lading without the Mate's Receipt having been surrendered, there will be two Documents of Title in existence relating to the same goods." This difficulty will be met by the suggestion of the Sub-Committee of the Federation that the Government should undertake legislation to provide that Shipping Companies should only issue Bills of Lading against the production of Mate's Receipt. Thus there will not be two Documents of Title in existence relating to the same goods and the objection of the Select Committee will be overcome by the suggestion of the Sub-Committee of the Federation.

I shall be obliged if when forwarding the Sub-Committee's report to the Government of India you will send a copy of this letter also.

I am also annexing a copy of the opinion expressed by the Gunny Trades Association of Calcutta on this question. The opinion expressed by the Gunny Trades Association will also be

found valuable by the Government of India when considering the question and I shall be obliged if you will forward it to the Government of India.

Yours truly,
Sd. D. P. Khaitan.

Memorandum from the Gunny Trades Association.

The draft Report of the Sub-Committee of the federation of the Indian Chamber of Commerce has been circulated to my Association to ascertain our views on the same.

My Committee is of opinion that the report gives an accurate picture of the difficulties of our trade in Calcutta. To remedy the defect my Committee begs to make the following alternative suggestions :—

(1) Mate's Receipts should be made a document of title; or in the alternative;

(2) It would be obligatory on the Shipping Company to issue Bills of Lading only against surrender of Mate's Receipts; or in the further alternatives;

(3) It would be obligatory on the shipping company to issue the Mates Receipts in blank without the name of the Shipper; or in the alternative ;

(4) It would be obligatory on the shipping company when they issue Bills of Lading without the production of Mate's Receipts, that the proceeds of the Bill of Lading should be held in the joint account of the Shipper and the shipping company until production of the Mates Receipts;

(A) MATES RECEIPTS should be made a document of title.

The Courts in India following the English decisions have held that Mate's Receipts are not documents of title ;

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Nanchappa Chaitty *vs.* Irwardy Flotila & Co. (4) Cal. Page. 670 33 Cal. P. 547

Jagannath Agarwalla *vs.* E. Smith (34 Cal. Page 173)

The Indian Sale of Goods Act 1930 has not made Mate's Receipts a document of title. The Select Committee appointed to consider the said bill was of opinion that if Mate's Receipts were treated as document of title then on the issue of a Bill of Lading without the Mate's Receipts having been surrendered there will be 2 documents of title in existence relating to the same goods and this would be highly undesirable from a business point of view:

It is submitted that such apprehensions are without any reasonable ground; of Bills of Lading there are commonly 3 bills of one tenor and it is an excellent proof in the general honesty of business that Barber *vs.* Myerestein (1870 L. R. 4 H. L. 4317) and Glyn Mills *vs.* E & W. I. Docks (1882, 7 A. C. 591) should be almost the only reported cases involving the sort of fraud that the existence of more than one Bill of Lading would seem to run.

In many countries a "received for shipment " bills of Lading have been issued by the Shipping Company. This "received for shipment" Bill of Lading differs from the ordinary "shipped" bill of lading in as much as it does not contain any admission that the goods have been placed "on Board the named ship", but merely states that the ship-owner or his agent has received the goods into his custody, for subsequent shipment, either on a named ship or by the ships of a direct steamship line or by ships in general. Besides the "received for shipment" Bills of Lading, there have been other kinds of Bills of Lading such as "through" or "transportation bills of lading" especially in America. The existence of these different sets of Bills of Lading have not given rise to the apprehensions raised by the Select Committee.

The Carriage of Goods by Sea Act has recognised the existence of two kinds of Bill of Lading viz :—

"Received for shipment" Bill of Lading and "shipped" Bill of Lading.

Article 3 Rule 7 of the Carriage of Goods by Sea Act proceeds on the basis of the existence of such "received for shipment" Bills of Lading and provides that if the shipper demands a "shipped" Bill of Lading he shall surrender any document of title previously taken. At one stage it was doubtful if "received for shipment" bill of lading was a document of title at all.

In the Marlbourgh Hill Case (1921) 1 Appeal Cases Page 444 it was held by the Privy Council that the document that began with the words "received for shipment" on Board was a Bill of Lading. Their Lordships based their decision on Sec. 6 of Admiralty Court Act 1861 but the Editor on Scutton on Charter Parties say that there can be little doubt that a similar decision would be given under the Bills of Lading Act. However the controversy was set at rest in the Carriage of Goods by Sea Act which expressly made a "received for shipment " Bill of Lading a document of title.

It is difficult to see when "received for shipment" bill of lading can be deemed as a document of title, why the Mate's Receipts cannot be so regarded. As a matter of fact many Steamship Companies in Calcutta have so worded their Mates Receipts as to make them "received for shipment" bills of lading. Osaka Shosen Kaisha has expressly provided in their form of Mate's Receipts that the same should be ragarded at least as "received for shipment" bills of Lading and worded the same accordingly.

It is submitted that the Carriage of Goods by Sea Act which has incorporated the Hague Rules has made a Mate's Receipts a document of title by implications.

Article 3 Rule 7 of the Carriage of Goods by Sea Act runs as follows :—

> "After the goods are loaded the bill of lading to be issued by the Carrier, Master or Agent of the Carrier, to the Shipper shall, if the Shipper so demands, be a shipped bill of lading, provided that if the Shipper shall have previously taken up any document of title to such goods he shall surrender the same

as against the issue of the shipped Bill of Lading but at the option of the carrier such documents of title may be noted at the Port of shipment by the Carrier, Master or Agent with the name or names of the ship or ships upon which the goods have been shipped and the date or dates of shipment and when so noted the same shall for the purpose of this Article be deemed to constitute a "shipped" bill of lading. The Editors of Mr. Smith's book on Mercantile Law comment that this probably means a "Received for shipment" bill of lading but the term is wide enough to include other documents such as Mates Receipts. The Editors of Scrutton on Charter Parties write, as follows :—(at page 512).

"What is contemplated here is that there may have been previously issued a bill of lading in the form as "received for shipment" and that the bill of lading instead of being surrendered may be noted with the name of the carrying ship. But the phrase "document of title" might possibly include a "document not in the form of Bill of Lading at all as for example a Mate's Receipts. If this be noted with the name of the carrying ship is it to be deemed to constitute a shipped Bill of Lading."

The Editors of Carver's Carriage of goods by Sea also expressed an opinion that the language of the Section is wide enough to include the Mate's Receipts.

It is true that Mate's Receipts is not mentioned in that Section but the reason for not mentioning the same may be that the practice of issuing the bills of lading only in exchange of Mate's receipts is so uniform and well-known that the Makers of the Rules at the Hague conference did not think it necessary to mention the words "Mate's Receipts" specifically.

In India the Hague rules have been incorporated in Indian Carriage of Goods by Sea Act (Act 26 of 1925).

The Indian Sale of Goods Act of 1930 by omitting to make Mate's Receipts a document of title in Section 2 Clause 4 has gone against the spirit and letter of the Indian Carriage of Goods by Sea Act. It is therefore nice and necessary that the Indian sale of goods Act should be amended by including Mate's Receipts in the definition of the documents of title.

(b) **In the alternative it should be made obligatory to issue the Bills of lading only against surrender of Mate's receipts.** Contrary to what has been stated above if the government thinks that it is not advisable to make a Mate's Receipt a document of title then legislation should be enacted to make it obligatory upon the steamship Companies not to issue bills of lading without the surrender of Mate's receipts.

If such enactment is made it will simply make a uniform and almost universal practice in almost all civilised countries a statutory duty in India.

In England, in America, in France and in Japan the practice of issuing bill of lading only against Mates Receipts is followed by all the steamship companies as a matter of custom.

Mr. Smith in his well-known book on Mercantile Law has summarised the practice as follows :—

"When space has been engaged and before the bill of lading is issued the shipper delivers his goods to those in charge of the ship in the manner provided for, by the custom of the particular port and receives in exchange a document known as the Mate's receipt signed by one of the ship's officer or the ship's Agent. The Shipper thus usually procures the forms of bill of lading appropriate to the transaction and fills them up with necessary details. These are then taken to the shipowner with the Mate's Receipt, **which is surrendered,** signed bills of lading being returned in exchange."

In reply to a query made to the Japanese Consul in Calcutta he informed my Committee as follows :—

"(1) The Mate's Receipt is regarded as a receipt for Shipment as a trade custom ;

(2) It is legally stipulated that the bill of lading should be issued after the shipment has been made so that the Bill of Lading cannot be issued legally as well as by trade custom unless a Mate's Receipt is produced."

The French Consul in Calcutta in reply to a similar query also answers in the same line.

In the Port of London a Mate's receipt is only given in the case of water borne goods and bills of Lading are only issued on the surrender of the mate's receipt, and the practice in America is also the same.

It is therefore clear that such practice has been followed by great commercial countries of the world and there has not been any legal defect of any importance arising out of this trade custom nor has there arisen any international complication in following almost invariably this whole-some practice of not issuing bills of lading without the surrender of mate's receipts.

This practice is so uniform and so well-known and so ancient that Mr. Carver in his well-known treatise on Carriage of Goods by Sea writes as follows:

"Bills of Lading are usually procured by the shipper and filled up by him with the statement of kinds and quantities of the goods and marks upon them. These are checked on behalf of the ship and the documents are signed by the Master or the Ship's Agent and delivered to the shipper **in exchange for the mate's receipts."**

There can therefore be no difficulty in giving a statutory force to this trade custom. If this practice was followed by all steamship Companies in Calcutta there would not have arisen any occasion for any legislative enactment to make it binding upon all steamship companies. As there is no statutory obligation on the steamship companies not to issue bills of lading without exchange of mates' receipts some dishonest shippers taking advantage of this lacuna have dealt heavy blows in the Calcutta market from the effects of which Jute, Hessian and gunny trade

have not been able to extricate yet. It is high time that law should be passed making it incumbent upon the steamship companies to act in the same way as the steamship companies do in other countries by way of trade custom.

It can be made obligatory by amending the Bill of Lading Act of (Act 1856) by adding a separate section. The section should be worded in either of the following way :—

(*a*) "Bills of Lading are to be delivered to the shipper **in exchange for the mates receipt"** or (*b*) "After the goods are loaded the bill of lading to be issued by the Carrier, Master or Agent of the Carrier to the shipper shall be a shipped bill of lading provided that if the shipper shall have previously taken up any document of title to such goods or Mate's receipts he shall surrender the same as against the issue of the shipped bill of lading."

In the further alternative it may also be, that the same effects can be had without amending the bills of lading Act if the Carriage of Goods by Sea Act be amended by simply inserting the word "Mate's Receipt" after the words "shall have previously taken up any document of title to such goods" in Article 3 Section 7 :—

(*c*) It would be made obligatory on the shipping companies to issue the mates receipts in blank without the name of the shipper.

There are several decided cases in England where it has been held that if the mate's receipts are issued in blank that is without the name of the shipper being mentioned therein, then the Holder of such mate's receipts may demand the goods under the Mate's Receipts from the Steamer Companies, in case the shipper has either become insolvent or has obtained the bills of lading without the production of mates receipts inasmuch as **Jus desponendi** may be presumed to have been reserved. But the difficulty is how to make the steamship companies to issue mate's receipts in blank without any statutory enactment. If it can somehow be made a uniform practice among the steamer Com-

panies either by an Order in Council or otherwise then the defect mentioned above can be overcome without making the mate's receipts a document of title or making it obligatory upon the Steamer Company to issue bills of lading only **in exchange for the Mate's receipt.**

(*d*) **It would be obligatory on the shipping companies when they issue bills of lading without the production of the Mates Receipts that the proceeds of the mates receipts should be kept in the joint** account of the steamer company and the shipper until the mate's receipts are returned. Contrary to our submissions above-mentioned, if it is found that it is not desirable to make a mate's receipt a document of title or to pass a Law making it obligatory upon the steamship company not to issue bill of lading without mate's receipt or even to make incumbent upon the steamer companies to issue Mate's receipts in blank form, then the steamer company should be made to hold the proceeds of the bills of lading when issued not **in exchange of Mates receipt** in the joint account of the shipper and the steamer companies until the Mate's Receipt is returned. Many steamship companies have begun to follow this practice and they do not issue the bills of lading without making provision for holding the proceeds thereof in the joint account. This provision they insert in the Letters of Guarantee which they take when they issue bills of lading without the surrender of Mate's receipts. The same difficulty arises here also viz: how to make this obligatory upon the steamer companies. If the government can by any means better known to them make all the steamer companies follow this practice even then the mate's receipts holders in Calcutta in the existing system can be protected from the hands of dishonest shippers. If the Government can call a conference of the Steamer Companies and make them induced to follow this practice invariably and without exception, then the end can be achieved without any legislative enactment.

Nevertheless legislative enactment is much more desirable.

Sd.

Hony. Secretary.

Members of the Sub-Committee,

Gunny Trades Association,

Letter No. 250 dated 25th January from the Chamber to Government of India.

I am directed by the Committee of my Chamber to acknowledge the receipt of your letter No. 17-Ml/32 of the 2nd November last on the above subject, together with a copy of a letter from the Federation of Indian Chambers of Commerce and Industry, No. F 557 dated the 21st April, 1932 and the enclosures mentioned therein and to offer the undermentioned observations in reply to the points raised therein :—

In view of the difficulties pointed out in the Report, my Committee are agreeable to endorse the recommendation of the Sub-Committee, that the Government of India be requested to enact legislation, to the effect that the Bill of Lading shall be issued only upon production of the Mate's Receipt, subject to the conditions raised by Mr. Master in his note to the Report.

The real object which the trade has in view is stated at page 5 of the print, in these words :—

> "The only recourse left to protect intermediate dealers is to alter the law, so as to provide that the intermediate dealer who has paid for mate's receipts may not be left without any remedy, e.g., by being unable to have recourse to the relative goods."

If the object of the parties be to be in a position to have recourse to the goods, my Committee think that any legislation to the effect that no steamer company should issue Bills of Lading except on production and surrender of mate's receipts is not likely to help the parties, except in a negative way. The best way to understand the position is to take a concrete case. Suppose, a cargo is shipped by "A" and a mate's receipt has been issued in favour of "A" acknowledging that the steamer has received the cargo from "A". Suppose "A" sells the goods to "B", and "B" sells to "C" and "C" sells to "D". Very likely there would be endorsements on the mate's receipt from "A" to "B", from "B" to "C" and from "C" to "D". As the mate's receipt

is not a document of title, the steamer company cannot recognise the endorsements, and cannot recognise "D" as the owner of the cargo, and if an application for a Bill of Lading is made by "D" and he produces the mate's receipt, the steamer company can only issue their Bill of Lading in favour of "A". If the legislation clearly provides that the steamer company shall not issue Bill of Lading except on production and surrender of the mate's receipts and that the document so issued shall be delivered to the party surrendering the mate's receipt, the net result will be that "D" will have in his hand a Bill of Lading in favour of "A". It is possible that this may prevent "A" from fraudulently taking delivery of the goods, but it will not entitle "D" to obtain delivery and will not therefore give him any recourse to the goods. Therefore, if what the parties want is that the ultimate holder of the mate's receipt should have recourse to the goods, the proposed legislation will not achieve that object, and while it may not enable the final holder of the mate's receipt, say "D", to obtain delivery himself, it may prevent the first shipper, "A", from taking delivery and thus protect the cargo.

Under the circumstances, my Committee hold that if there is to be any legislation on the line suggested, there should be an additional provision that the Bill of Lading shall be delivered to the party producing and delivering the mate's receipt; otherwise, as pointed above, if the Bill of Lading is delivered to "D", the shipper "A" may be entitled to file a suit against the steamer company on the ground that the steamer company had no business to deliver the Bill of Lading to "D", or to any party.

The fundamental fact which my Committee think should always be remembered is that if the mate's receipt is not a document of title, the steamer company can deal with "A" and nobody else in connection with the cargo, and they would be bound whenever they have to issue a Bill of Lading not only to issue in the name of "A", but also to deliver to "A". If, therefore, the proposed legislation is desired by the trade after realising the limited effect, my Committee consider it essential that it should be distinctly provided in the legislation, that a steamer company which has issued a mate's receipt shall not issue a Bill of Lading except

on production and delivery of the mate's receipt, and that such Bill of Lading, though issued in favour of the party to whom the mate's receipt is issued, shall be delivered to the party producing and delivering the mate's receipt.

My Committee realise that even this will make the mate's receipt a document of title to a certain, though limited, extent and it now rests with the Government to decide whether they are prepared to recognise the mate's receipt as title to the goods to this limited extent. In case, Government are not prepared to go even to that limited extent, my Committee are of the opinion that it will not be open to the steamer company to deliver the Bill of Lading to any party other than the party to whom it is issued. My Committee would like to remark that it is clear that the Bill of Lading is to be issued in the name of the party to whom the mate's receipt has been delivered in the first instance. It is, therefore, obvious that in the normal course of things the Bill of Lading will have to be delivered to the party in whose favour the mate's receipt is issued. If however, it is intended that it should be delivered to anybody else, a clear provision to that effect should be embodied in any legislative enactment that may be made in this connection.

APPENDIX 2

Tug Charges by the Bombay Port Trust.

Letter No. 249 *dated* 25*th January* 1933, *from Chamber to the Bombay Port Trust.*

I am directed by my Committee to inform you that the President of the Conference of the Small Steamship Companies has placed before them the correspondence that has passed between the Port Trust and himself on the subject of the imposition of tug charges by the Bombay Port Trust ending with the letter of the President of the Conference of the Small Steamship Companies dated the 6th December 1932. My Committee understand that the practice till very recently was only to impose tug charges either for attending or assisting vessels while actually passing the Dock gates and entering the docks, No such tug charges

were levied either for taking the vessel from one berth to another or for taking a vessel from a berth to the drydock and vice versa, os all such services were included in the dock dues which are aevied on shipping. They, however, understand that a charge tlof Rs. 30/- per tug is now made for assistingthe vessels inside the docks. This is a new and extra burden. They are further told that while the former charges for attending a steamer at the gate was Rs. 45/-, and for assisting a steamer at the gate was Rs. 115/-, such distinction has now been done away with and a uniform charge of Rs. 100/- is being imposed on every steamer irrespective of its size whether actual assistance is lent or not. This higher charge imposes an additional heavy burden on shipping. My Committee, therefore, consider these extra impositions of tug charges as inequitable and undesirable burdens on shipping, especially in view of the fact that only very recently an actual surcharge of $18\frac{3}{4}$ per cent was levied on dock dues thereby bringing the total increase of surcharge to $68\frac{3}{4}$ per cent over the rate of 1920.

My Committee further understand that the new tug charges are levied on shipping irrespective of its size and they are, therefore, of the opinion that such charges fall on small steamers as a heavier burden, comparatively speaking, than on vessels of bigger size. These small steamers call at the port much more frequently during the month than the bigger steamers and consequently the incidence of such charges presses heavily on them. My Committee, therefore, have to request you to reconsider the position in this connection and relieve shipping, which is already heavily burdened, of such extra charges as were at any rate not levied in the past.

I am further asked by my Committee to request you to let them know the existing arrangement for berthing steamers alongside the dock walls outside the docks. My Committee will further thank you if you will be good enough to inform them as to the position of the small steamers in regard to their claim to be berthed alongside the dockwalls outside the docks. My Committee think that such small steamers can reasonably claim equal facilities with other vessels, so that there may not be any unne-

cessary handicap placed on them in regard to their competitive capacity and economic working and my Committee would therefore, request you to let them know whether the Port Trust is prepared to afford the same facilities to the steamers of these small Steamship Companies as are given at present to the Bombay Steam Navigation Company, Ltd.

My Committee will appreciate your giving this matter your very early and favourable consideration.

Letter No. 2139 *dated* 28*th July* 1933 *from the Port Trust to Chamber.*

With reference to your letter No. 249 dated 25th January 1933 on the above subject written in support of the representations addressed to this Administration by the President of the Conference of the Small Steamship Companies, I am directed to say that the Trustees have sanctioned, with effect from 1st August 1933, a revised scale of charges for the use of Harbour and Dock tugs as shown in the attached statement "B". Statement "A" shows the old and the new rates of hire of the Docks tugs side by side. Enclosed herewith is also a copy of this office reply of even date addressed to the Small Steamship Companies dealing with the several points raised in your letter.

As regards the question of charging different rates for tugs attending or assisting a vessel, I am to say that the expenses to the Port Trust is practically the same in either case, and the Trustees therefore consider that the levy of a flat rate is not inequitable. Tugs are not detailed to stand by as a safety measure without good or sufficient reason. The navigable approaches to the Docks are limited in area and depth and are subject to tidal influences; vessels manoeuvring in such shallow and restricted areas are liable in certain whether conditions to take a sudden sheer, in which case—or in the event of a failure in the engines or steering gear—the safety of the vessels might be seriously endangered in the absence of sufficient tugs to render immediate assistance. Masters or Marine Superintendents are however at liberty to requisition in advance or in consultation with the Deputy Conservator such number of tugs as they consider necessary.

With reference to correspondence ending with your letter dated 6th December 1932, I am directed to say that the Trustees have had under consideration the feasibility of reducing towage fees, and have sanctioned a revised scale of charges for the use of Harbour and Dock tugs as shown in the attached statement "B". Statement "A" shows the old and the new rates of hire of the dock tugs side by side.

It will be seen that in addition to the general reduction under the new scale no charge is leviable for shifting a vessel from berth to berth, or between a berth and Dry Dock, in the same group of Docks; and in the case of vessels using Ballard Pier or Harbour Wall berths en route for the Docks, half the rates for towing from "outside Docks' entrances to berths in Docks"only will be levied for towage from Ballard Pier or Harbour Walls into the Dock.

As regards the increases in dock dues referred to in the second paragraph of your letter dated 6th December 1932, these were made in 1924—not in 1915 as stated—for a variety of reasons, such as, to meet the increased expenditure on maintenance dredging of the docks and channels, capital charges on the newer tugs, and because the dock dues at Bombay were low compared with those at other comparable ports. It is not correct to say that the enhanced dock dues reimbursed the Port for the cost of towage services; as is the case in other ports, dock dues represent a fair charge to cover the cost of providing adequate berthing accommodation and maintaining the berths and the approaches thereto. Towage charges likewise are levied for specific services rendered by the towage craft and, in conformity with the general practice at other ports, must be paid for by the ships to which the services are rendered. The new scale has been so graded as to yield a bare equilibrium between the annual working cost of the tugs (excluding overhead expenses and a sum of Rs. 41,000 credited thereto out of receipts from Dock dues) and the estimated annual revenue.

As regards your reference to your competitors' vessels berthing at the Harbour Wall berths, I am to observe that these berths were allotted to the B.S.N. Company in 1889. This Com-

pany's vessels run to regular scheduled programmes and make full use of these berths; in the busy season extra "sailings" have to be accommodated inside the Docks. They cannot be said to compete with the small coasting lines as the latter do not call at the same ports, except for occasional trips to Karachi, Mangalore, Damaun and Marmagoa. The smaller lines do not run to regular timings and their arrivals and departures from Bombay are irregular; sometimes as many as 3 or 4 ships are in dock at the same time. They could not be accommodated at the Harbour Wall without dislocating the regular services of the B. S. N. Company. This question has also been carefully considered by the Trustees but they regret that it is not possible to interfere with the existing arrangements in order to grant the new coasting lines the same conveniences. It might at a future date be possible to provide at the most one additional berth at No. 14 Victoria Dock Harbour Wall but this would entail considerable expenditure on dredging and alterations to transit sheds and cannot be considered in existing financial conditions.

As regards the contention that it is inequitable that small steamers should be charged the same as large ocean-going steamers for the services of a dock tug, I am to observe that there is no appreciable difference in expense to the Port Trust between towing a large vessel and a small one, and the service rendered is exactly the same in either case. Moreover the expense incurred by a ship in towage fees adjusts itself by the number of tugs necessitated, the smaller vessels usually requiring the services of only one tug whereas the larger steamers require two, three or even four, tugs. By freedom from pilotage, the smaller vessel is also already more favoured than the larger.

However, in view of the desirability of encouraging the expansion of coastal shipping and as an off-set against the preferential berthing enjoyed by the B. S. N. Company, the Trustees have been pleased to frame a concessional scale for vessels up to 1,500 tons net register as is done in the case of the levy of dock dues.

The new scale of towage charges will be introduced on the 1st August next.

STATEMENT "A".

Present and proposed rates of towage for the use of Dock Tugs.

	Present Per tug.	Proposed per tug.
Towage from Docks' Entrances to berths in Docks and *vice versa*	Rs. 30	Rs. 15 For vessels of under 1,500 tons net register. Rs. 28 For vessels of 1,500 tons or over.
Towage from outside Docks' Entrances to berths in Docks and *vice versa* ..	Rs. 45	Rs. 28 For vessels of under 1,500 tons net register. Rs. 38 For vessels of 1,500 tons or over.
Towage from stream to Ballard Pier or Harbour Wall berths and *vice versa*		In the case of vessels entering from the stream to Ballard Pier or the Harbour Wall berths and subsequently entering the Dock including the Dry Dock, half the rates for towing from "outside Docks' Entrances to berths in Docks" will be levied for towage from Ballard Pier or Harbour Walls into the Dock.
Towage from Ballard Pier or Harbour Walls into Dock and *vice versa* ..	Rs. 45	Free.

Towage from berth to berth in the same Dock including Dry Dock .. .. Rs. 30

STATEMENT "B".

TOWAGE FEES.

	Stream or Sailing Vessels		
	Under 1500 tons net register	of 1500 tons net register & over	General
	Rs.	Rs.	Rs.
S.T. "Rose" and S.T. "Doris."			
A1 (*a*) For assisting or attending a vessel at the Docks' Entrances, Ballard Pier or Harbour Wall Berths.			85
(*b*) For assisting a vessel at Pir Pao Pier			100
(*c*) For attending on a vessel at Pir Pao Pier, if such attendance is thought necessary by the Dy. Conservator (in addition to the charge for assistance), for every 24 hours or part thereof			100
(2) For towing or assisting a vessel through the Dock's Channels	115	150	..
(3) For towing or assisting a vessel from Dock to any berth or mooring in the Harbour or *vice versa*, or from one berth to another in the stream ..	150	225	..
(4) For towing from Dock or stream to Sunk Rock or *vice versa*	225	300	..
(5) For towing from Dock or stream to the Bombay Floating Light or *vice versa*..	300	375	..
(6) For detention of tug by reason of vessel not being ready or other cause, for every half hour (in addition to the usual towage)			40

(7)	If a tug is ordered to tow a vessel and after going alongside is sent back immediately, or after raising steam specially is informed that her services are not required	75
(8)	For re-mooring a vessel which has dragged her anchors	150
(9)	For hire of tug's hawser	25
(10)	Attending a vessel on fire for first 24 hours or part thereof	225
(11)	Attending a vessel on fire, second 24 hours or part thereof	180
(12)	Charges for duties not included in the above schedule and for towage of wrecks and derelict vessels may be fixed by the Dy. Conservator having regard to the circumstances of the case.	

	DOCK TUGS.	Per Tug	Per tug.	
B1	(*a*) For assisting a vessel from outside the Docks' Entrances to any berth in the Docks' including Dry Docks or *vice versa*	28	38	..
	(*b*) For assisting a vessel to Ballard Pier or Harbour Wall Berths or *vice versa*	28	38	.
	(*c*) For assisting a vessel inside the Docks' Entrances to any berth in the Docks, including Dry Docks, or *vice versa*	15	28	..

Note.—(*i*) In the case of a vessel entering from the stream to Ballard Pier or Harbour Walls and subsequently entering the Dock including the Dry Dock, half the rates under B(1) (*a*) will be levied for towage by a dock tug from Ballard Pier or the Harbour Walls into the Dock.

(*ii*) Shifts, within Alexandra Dock or within Prince's and Victoria Docks, from berth to berth and berth to Dry Dock or *vice versa* will be carried out free of towage charges.

Letter No. 2556 *dated* 9*th October from Chamber to the Bombay Port Trust.*

I am directed by the Committee of this Chamber to acknowledge receipt of your letter No. 2139, dated the 28th July, 1933, together with its enclosures, and to say that they have noted with thanks the Revised Scale of Towage Charges, which gives the much needed relief to small Steamship Companies.

With regard to the second point, viz., grant of Special Harbour Wall Berths to Small Steamship Companies, my Committee, regret to note that the Port Trust does not yet see its way to accede to the request made on behalf of the Small Steamship Companies. They have perused in this connection a further representation, dated 25th September, 1933, made to the Port Trust by the President, Small Steamship Companies Conference which they fully support.

My Committee trust that the Port Trust will reconsider its previous decision in the light of the real difficulties pointed out by the Small Steamship Companies, and will be pleased to accede to their modest request in regard to Harbour Wall Berthing facilities.

APPENDIX 3.

Deck Passenger Accommodation between Bombay and Aden.

Letter No. 1875 *dated* 8*th July* 1933 *from Chamber to the P. & O. Steam Navigation Co., Ltd., Bombay.*

I am directed by the Committee of this Chamber to address you as under in regard to the complaints received by them from Indian businessmen regarding facilities for deck passage accommodation on your mail steamers between Bombay and Aden.

It has been brought to the notice of my Committee that Indian businessmen do not now-a-days get deck accommodation between Bombay and Aden on your mail steamers. When they apply for these passages they are generally told that there is no such accommodation available. Cases, however, have been brought to their notice, that limited deck accommodation is at times available on your boats and intending passengers find it difficult to secure the same directly through your office, but that they have to obtain such accommodation through intermediary channels. This process necessarily entails extra cost to Indian businessmen who have to make frequent journeys to and from Aden for purposes of their business. The benefit that they ought to get by having deck passages is lost due to the extra payment they have thus to pay.

My Committee desire to point out, in this connection, that some time back deck accommodation was regularly provided on your s.s. "Razmak" between Bombay and Aden. Recently that service has been abolished, with the result that Indian businessmen have been put to the difficulties pointed out above. You are no doubt aware that for people going to Aden there are very limited travelling facilities available, the most important being the Mogul Line. The Mogul Line steamers, being cargo boats, their sailings are not regular and they take anything between 7 to 14 days to reach Aden. People having business connections with Aden naturally cannot afford to travel by such slow and irregular service.

My Committee hope that you are not unaware of the fact that Indian businessmen generally send their merchandise and cargoes to Aden by your steamers. They have thus been your best customers. It would not be, therefore, unreasonable on their part if they expected in return some consideration in regard to their economic travelling facilities.

Under the circumstances, my Committee will be obliged if you will kindly see your way to provide regularly deck accommodation on your mail boats between Bombay and Aden, and thus remove a genuine grievance of the Indian businessmen in this behalf.

Letter dated 11th July 1933 from the Agents, P. &. O. Steam Navigation Co. Bombay, to the Secretary, Indian Merchants Chamber :

"We have to acknowledge receipt of your letter No. 1875 of 8th instant on the subject of the provision of accommodation for deck passengers on this Company's mail steamers between Bombay and Aden.

In this connection we would refer you to our letter of 18th May, 1933, in which we advised that the P. & O. mail steamers have no deck accommodation suitable for the conveyance of deck passengers and we regret therefore that the Company is not in a position to cater for this class of passengers.

As also advised in the above mentioned letter, each mail steamer has, however, a small cabin accommodating 6 to 8 persons for the use of bonafide servants of passengers travelling by the vessel, and when this is not fully occupied by such servants, any remaining space is allotted to deck passengers. It is not however until within a few hours of the departure of the steamer that we know definitely the number of servants travelling, and how much space can consequently be allotted to deck passengers, and it is therefore impossible to make forward bookings of the latter.

The Company's Directors have been approached on this subject, but they have pointed out that it would not be an economic proposition to provide permanent accommodation for deck passengers which would only be used for a very short period on each voyage and during the rest of the voyage would be non-productive."

Letter No. 1897 dated 10th July 1933 from Chamber to the Lloyd Triestino Navigation Company, Bombay.

I am directed by the Committee of this Chamber to address you in regard to difficulties experienced by Indian businessmen regarding facilities for deck passages on your boats between Bombay and Aden.

It has been brought to the notice of my Committee that Indian businessmen do not generally get Deck accommodation on your boats between Bombay and Aden. It appears that there is, at times, some limited accommodation available for deck passengers on your boats, but it is very difficult for Indian businessmen to obtain even this limited accommodation. You are no doubt aware that travelling facilities for deck passengers between Bombay and Aden are extremely limited at present. The only Line offering regular deck accommodation is the Mogul Line but their boats, however, being cargo boats, their sailings are very irregular and they take anything between 7 to 14 days to reach Aden. Indian businessmen, who have business connections with Aden, have to make frequent journeys to Aden, and it is naturally very inconvenient to them to travel by the Mogul Line steamers.

My Committee hope that you are not unaware of the fact that lately Indians have been increasingly patronising your boats for foreign travel. As a matter of fact your boats have become very popular with them and they prefer to travel on the same. You are doubtless also aware of the fact that Indian businessmen are sending their merchandise and cargoes to Aden in particular and to other foreign ports generally on your boats and other Italian steamers. Thus they have been your good customers. It would not be, therefore, unreasonable on their part if they expected in return some consideration in regard to their economic travelling facilities.

Under the circumstances, my Committee will be obliged if you will kindly see your way to provide regular deck accommodation on your boats between Bombay and Aden and thus remove a genuine difficulty experienced by Indian businessmen in this behalf.

Letter dated 12th July 1933 *from the Lloyd Triestino to Chamber.*

We beg to thank you for your letter No. 1898 of the 10th instant, and extremely regret to hear of the inconveniences to which Indian businessmen should be subjected in view of our inability to meet the demands for deck passages from Bombay to Aden.

For your guidance the s.s. "Conte Rosso" and "Conte Verde" do not call at Aden, whereas the m. v. "Victoria" has practically no-space to accommodate deck passengers. Our cargo steamers from the Far East can only carry a limited number of passengers on deck, but during the monsoon this traffic is more or less suspended in view of the fact that these ships have no shelter deck, Captains are accordingly most reluctant to accept these passengers for the obvious reasons of accidents in transit.

As far as this Agency is concerned you may reckon on our assistance to promote this traffic, we have on recent occasion referred in this connection to our Principals, and are now communicating contents of your letter to Trieste which will doubtless be an impetus to bring the matter to a satisfactory conclusion.

APPENDIX 4.

Competition of the B. I. S. N. Co. with Small Indian Steamship Companies.

Letter No. 2576 dated 10th October 1933 from Chamber to Government of India, Commerce Department.

The attention of the Committee of this Chamber has been drawn to the representation, recently made by the Conference of Small Indian Steamship Companies to Government, regarding competition carried on by the British shipping interests against the Small Indian Steamship Companies on the Karachi/Bombay to Malabar line.

My Committee have carefully gone through this representation, and they fully share the anxiety entertained by the Small Indian Steamship Companies about the competition complained of by them. Government, are, no doubt, aware that this competition carried on by the British shipping interests had adversely affected the Small Indian Steamship Companies engaged in coastal trade of their own country. Time and again this matter of vital importance to the Indian Shipping Companies has been brought to the notice of Government with earnest requests for taking immediate steps to put a stop to the same.

It is a matter of great regret that upto now no steps have been taken to implement the promise made last year, when a deputation of small steamship owners waited on His Excellency the Viceroy. Time is of vital essence in such matters and delay may mean irreparable harm to Small Indian Steamship Companies. My Committee would, therefore, like to take this opportunity of again impressing upon Government the great urgency of the matter, and to request them to take immediate steps to bring about an early termination of the ruinous rate-war, and thus save the indigenous Small Steamship Companies from being wiped out of existence.

APPENDIX 5.

Indian Pilgrim Ship rules, 1933.

Letter No. 6276—XVII/9801—B dated 29th August 1933.
From Government of Bombay to Chamber.

I am directed by the Governor in Council to forward herewith a copy of Government Resolution No. 6276-XVII, dated the 29th August 1933, regarding a draft of new rules under section 213 (1) of the Indian Merchant Shipping Act, 1923, and to request that you will be so good as to communicate to Government by the 14th September 1933 at the latest any observations which your Chamber may desire to make in respect thereof.

(**Note** : The draft rules are not printed here but can be referred to in file R 37 of 1934).

Letter No. 2518 dated 4th October from Chamber to Government of Bombay political and Reform department.

I am directed to acknowledge the receipt of your letter No. 6276-XVII/9801-B, dated the 29th August, 1933, and to submit hereby the views of my Committee on the above mentioned matter.

My Committee note that Rule No. 70 requires that sleeping boards of the width of six feet shall be fitted along the ships' side in every compartment allocated for the accommodation of pilgrims and occupying the full breadth of the ship.

While they appreciate the desire of the Government to provide the deck passengers with all possible comforts, they do not think that the introduction of sleeping boards will in any way enhance the pilgrims' comforts. As sleeping boards, according to the rule, will not be permanently fixed, my Committee apprehend that, when the ships encounter storms, and roll and pitch heavily, accidents may occur frequently. It is doubtful if sleeping boards placed on the sides of a compartment will provide sufficient sleeping accommodation to all pilgrims in that compartment. If not, there may be a scramble for sleeping boards among the passengers. My Committee are, therefore, opposed to rule No. 70.

In the foot-note to Rule No. 75, the disinfectant is named as "Calvert's powder" and in rule 109 (1) "Labig's extract of meat" is mentioned in the Table of Articles. My Committee feel that it is not proper to name particular makes for the articles required.

My Committee have carefully considered the proposed new Rule 79, which makes it compulsory for pilgrims to buy their passage tickets with food, and makes it compulsory for the shipping companies to provide food to all the pilgrims according to "menus" prescribed in this rule. My Committee are of opinion that, however laudable the idea may be, it will be highly impracticable on board a pilgrimship which may carry anything above 1500 passengers. Apart from the difficulty in preparing and serving food to such a large number, there are other more important aspects which would show that a proposal like this is impracticable, and that the same, instead of conferring any benefit on the pilgrims, would prove a source of great trouble and dissatisfaction. Pilgrims, Government are no doubt aware, come from different provinces and have different tastes and likings. They are also absolutely unaccustomed to sea-life and most of them get sea-sick as soon as the ship puts out to sea. My Committee are, therefore, opposed to Rule 79.

It has been the practice of pilgrim ships, from the inception of the pilgrim trade, to allow the pilgrims the facility of preparing their own food on board the steamers, and it cannot at all be said that this practice has not been to the liking of the majo-

rity of the pilgrims. As Rule 80 of the proposed Rules will make available to all pilgrims on board such food as they may desire to buy, and which my Committee fully endorse, they urge that Rule 79 must be deleted altogether, and that the pilgrims must be given the same facilities as of old to have their own food prepared on board in the manner as they like best.

In this connection, my Committee would like to point out that in all the ships plying on the Bombay-Basrah line, tickets are issued without food to deck passengers, and on the ships there are Indian restaurants which cater to the needs of the passengers. My Committee cannot understand why such arrangements should not be made available in the pilgrim ships also.

My Committee would urge for the deletion of Rule No. 150. This rule, as it stands, will not permit a pilgrim ship to sail before the expiry of fifteen days' notice of its intended sailing, although the vessel may have been fully booked and ready to sail many days earlier. As this cannot be the object of the rule, My Committee think that its implication has not been properly understood.

My Committee have no particular views to offer with regard to the rest of the Rules.

APPENDIX 6.

Form of Agreement for foreign-going ships employing non-lascar crew.

Letter No. 3284 *dated* 23*rd August* 1934 *from the Shipping Master, Bombay, to Chamber.*

I have the honour to enclose herewith a draft of the form of the proposed agreement for Foreign-going ships employing Non-lascar crew (Europeans, Chinese, Malayans and other Non-British coloured seamen) and to request you to furnish me with your views on the same at an early date.

The scale of provisions considered suitable for seamen other than Europeans, e.g., Chinese or Malayans signing on the proposed articles of agreement may also be stated in your reply

Eng. 2 (India)

Coat of Arms

Sanctioned by the Governor General of India in Council.

Agreement for Non-Lascar Crew

$\frac{20}{120}$ Lines.
$\frac{220}{}$

An agreement for Foreign-going ships employing Non-Lascar Crew made pursuant to the Indian Merchant Shipping Act, 1923, (XXI of 1923), between .....
.....the Master of the Ship
....of the Port of
.....and of the burden of.....
Tons, and the several persons whose names are set hereto shipped on board the said ship within the territories under the Government of India.

Agreement and Account of Crew.

Insert table as in the existing Lascar Agreement.

Additional stipulations which must be signed by the owner of the ship or by the Master on his behalf.

1. I hereby agree that if a seaman shows to my satisfaction that he can obtain command of a vessel or an appointment as mate or engineer or to any other post of a higher grade than he actually holds, or that any other circumstance has arisen since his engagement which renders it essential to his interests that he should be permitted to take his discharge, he may claim his discharge, provided that without increased expense and to any satisfaction he furnishes a competent and reliable man in his place.

In such case, the seaman shall be entitled to his wages up to the time of leaving his employment.

2. I hereby further agree that in the event of any of the crew whose names are subscribed to this agreement being discharged or left behind at any port by reason of illness or incapacity (except illness or incapacity due to his own wilful act, default or to his own misbehaviour) the expense of providing the necessary surgical and medical advice and attendance and medicines and of his maintenance until he is cured or dies or is returned to the port of his engagement and of his conveyance to that port, if so returned, and in the case of his death the expenses (if any) of his burial shall be defrayed by me without any deduction on that account from his wages.

3. I hereby further agree that in the event of the crew, whose names are subscribed to this agreement being discharged under the terms of this agreement at a port other than the port of discharge a passage free of charge by rail or steamer and the carriage free of charge of his personal effects, not exceeding 80 lbs. in weight to the port of discharge, will be provided for each of the said crew at my expense.

.....Owner or Master.

And it is also agreed that

4 The several persons (herein after referred to as the said crew) whose names are hereto subscribed, and whose descriptions are contained herein, and of whom ..... are engaged as sailors, hereby agree to serve on board the said ship in the several capacities expressed against their respective names, on a voyage from .....to.....or any other ports or places.....(1) trading to and from as the nature of the service of employment may require, for any period not exceeding..... .....months and finally to be discharged at.....within the said period.

And the said crew agree to conduct themselves in an orderly, faithful, honest and sober manner, and to be at all times diligent in their respective duties, and to be obedient to the lawful commands of the said Master or of any person who shall lawfully succeed him, and of their superior officers, in everything relating to the said ship and the stores and cargo thereof, whether on board, in boats, or on shore, in consideration of which services to be duly performed the said Master hereby agree to pay to the said crew, as wages, the sums against their names respectively expressed, and to supply them with provisions in accordance with the scale printed herein.

And it is hereby agreed that any embezzlement, or wilful or negligent destruction of any part of the ship's cargo stores shall be made good to the owner out of the wages of the person guilty of the same ; and if any person enters himself as qualified for a duty which he proves incompetent to perform, his wages shall be reduced in proportion to his incompetency.

And the said crew jointly and severally agree that in case any contraband goods be found on board, and a fine be imposed by the Customs Authorities in respect of the same the amount of such fine shall be recoverable from the wages of the owners or owner of the goods; but if the Master be not satisfied as to whom the goods belong, such fine shall, at the discretion of the Master, be recoverable rateably according to the rates of their wages, either from that portion of the crew belonging to the department in which the contraband goods shall have been discovered, or from the whole crew.

It is also agreed that the regulations for maintaining discipline sanctioned by the Government of India as printed herein and numbered..... (2) are adopted by the parties hereto, and shall be considered as embodied in this Agreement and it is also agreed that if any member of the said crew considers

himself to be aggrieved by any breach of the agreement or otherwise, he shall represent the same to the Master or Officer in charge of the ship in a quiet and orderly manner and, if he does not obtain satisfaction, to a Shipping Master or Consular or Colonial Officer.

And it is also agreed that should any member of the said crew be found removing or causing to be removed, or disposing of, whether by sale or otherwise any stores or provisions that have been issued to himself or any portion of the crew, he shall be subject to a fine of ten days' pay for the first, and twenty days' pay for any subsequent offence.

(3).....

.....

I hereby certify that the withinnamed seamen have made their marks or signature with their own hands and that they fully understand the terms of this agreement.

SHIPPING MASTER.

Insert table vide Lascar Agreement.

Foot-note :—

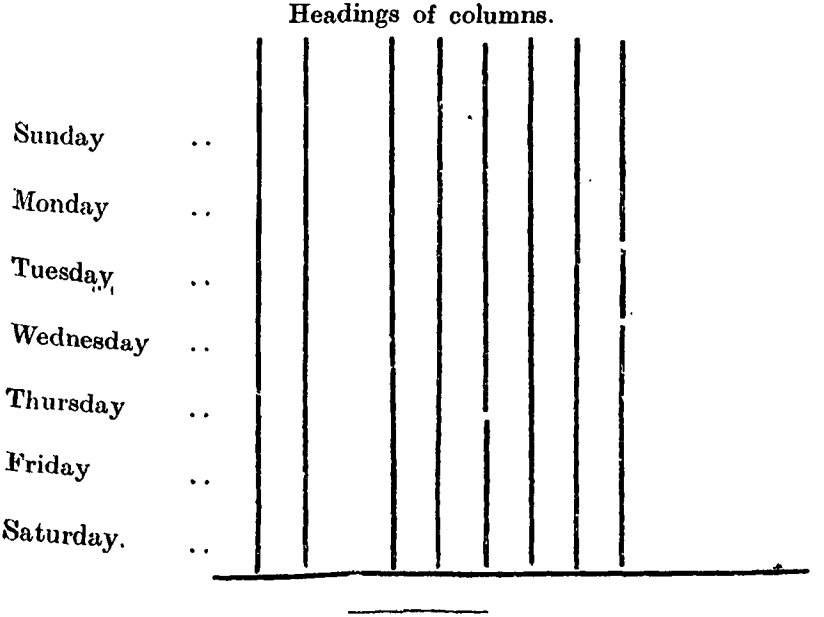
(1) Here is to be stated the nature of the intended voyage or agreement and the parts of the world, if any, which are excluded.

(2) Here are to be inserted the numbers of the Regulations which the parties adopt.

(3) Here insert any agreement regarding warm clothing under section 28(3) of the Indian Merchant Shipping Act, 1923.

(4) Here insert any other stipulations to which the parties agree and which are not contrary to law in accordance with section 28(3) of the Indian Merchant Shipping Act, 1923.

Scale of **Provisions for**.....Seamen in addition to the daily issue of Lime juice and sugar or other anti-scorbutics in any case **required by law.**
Rice, dhall, meat, fish, vegetables, bread, biscuits, curry stuff ghee, tea, coffee, sugar, milk, salt, vinegar, pickles, jam or butter, water.



Scale of Provisions for European Seamen.
Vide First Schedule
Merchant Shipping Act, 1906.

(The rest as in the existing Lascar Agreement.)

Letter No. 251 *dated 25th January,* 1933 *from Chamber to the Shipping Master.*

I am directed by the Committee of my Chamber to acknowledge the receipt of your letter No. 3284 of the 23rd August last, enclosing a draft of the agreement for foreign-going ships

employing non-lascar crew, and to point out to you that the first stipulation contained in the proposed draft agreement is not equitable in practice. The clause enabling a seaman to claim his discharge, for the purpose of improving his prospects, is one-sided. My Committee are of the opinion that while the shipowner is under an obligation to retain the services of a seaman, it is open to the seaman to leave the service before the period of the contract is over. That the seaman could claim to leave the service of the shipowner to improve his prospects, and that too within a short period of six months militates against the very basis of the contract of service. My Committee are afraid that the seaman will always be on the look-out for another billet during the period of agreement, which my Committee think is undesirable from several points of views. My Committee, therefore, are of the opinion that this stipulation should be deleted.

My Committee have no particular views to offer in regard to the other clauses of the agreement in question.

APPENDIX 7.

Proposal to remove the prohibition on the Employment of Lascars in certain northern altitudes.

Letter No. 11-*M* 11 (10)/31 *dated* 24*th November* 1932 *from Government of India, Commerce Department to Chamber.*

I am directed ro forward a copy of a letter from the Indian Trades Union Federation, Bombay, dated the 12th September 1932, on the above subject, and to request that the Government of India may be favoured with the views of your Chamber on the proposal put forward by the Federation.

2. They would also be glad to learn whether and, if so, what safeguards should, in the opinion of your Chamber, be provided in the Lascar Articles of Agreement, in the event of the prohibition in question being removed, in order to ensure that satisfactory arrangements shall be made for the comfort of the lascars and for the protection of their health, whilst being employed in excessively cold areas.

Copy of a letter dated the 12*th September* 1932, *from the Indian Trades Union Federation, Bombay to the Secretary, Government of India, Commerce Department, Simla.*

Subject:—*Climatic Restrictions on Seamen's Employment.*

I have the honour to forward you a copy of the resolution passed at the first session of the Indian Trades Union Federation held at Madras on the 16th and 17th July 1932 under the presidentship of Mr. V. V. Giri, regarding the climatic restrictions on seamen's employment which runs as follows :—

Resolution No. 12 : (a) Whereas no climatic restrictions were observed with regard to the employment of Indian Seamen during the Great War, whereas Indian seamen stood equal to any other maritime labour in all seasons and in all waters, and whereas the re-enforcement of these climatic restrictions have thrown out of employment hundreds of

Indian seamen, giving room to Chinese and Malayan seamen, this annual meeting of the Indian Trades Union Federation strongly urges upon the Government of India to remove the said climatic restrictions without any further loss of time and thereby to save the Indian seamen specifically of the Port of Calcutta from further unemployment and its consequent hardship.

(b) At the present moment there are hundreds of Lascar Seamen out of employment simply on account of the climatic restrictions on their employment and there is no doubt the number will be rapidly increased if this restriction is not rapidly removed. In one Company alone 75 per cent of the Indian Deck Crews have had to be dispensed with owing to this climatic restriction on their employment."

2. Though it is not necessary to dwell at great length on the contents of the resolution which is quite plain and self-explanatory, I may be permitted to draw the attention of the Government to the glaring case of injustice done to the Indian Seamen by imposing climatic restrictions on their employment before pointing out the additional hardships which they have to suffer on account of these restrictions. During the Great War climatic restrictions were not observed. What justification is there for reviving them now in view of the fact that Indian Seamen stood equal to the seamen of any other country in all seasons and in all waters. Whereas justice demanded that they should have been rewarded for their most valuable and meritorious services they rendered in times of need and danger by conceding more concessions which were formerly denied to them, the actual treatment which is being meted out to them only shows absence of gratitude and oblivion of their valuable services. It may be said with justification that the seamen were fully utilized when Government badly needed them. But no sooner than the difficulties were tided over they were again left to rot in the same old conditions and to face the same hard lot. Even without the climatic restrictions the seaman's lot was wretched and his life miserable. The number of the unemployed is always large. Seamen waiting for employment for more than three years are not few in number. The imposition of the new restrictions have only resulted in swelling the vast

ranks of the unemployed. Instead of devising ways and means for relieving their miseries Government have taken a step which has rendered their miserable lot more unhappy and vile. I have, therefore, to request you to kindly place this resolution before the proper authorities for sympathetic and favourable consideration.

Letter No. 252 dated 25th January 1933 from Chamber to Government of India.

I am directed by the Committee of my Chamber to acknowledge the receipt of your letter No. 11-M. 11 (10) of the 24th November last on the above subject, and to inform you that my committee are agreeable to the removal of the existing climatic restrictions with regard to the employment of Indian seamen in certain waters. My Committee would further like to add that in case the existing restrictions in regard to the employment of Indian seamen in certain northern latitudes during winter months are removed, it is quite necessary that certain safeguards should be provided in the legislation for protecting the health of lascars to be employed in excessively cold climates, and for enabling them to claim certain necessary comforts while thus engaged. My Committee are, therefore, of the opinion that it should be made obligatory on the ship engaging such seamen that it should provide at its own expense for Indian seamen thus engaged in such areas with sufficient warm clothings and sea boots of the proper quality for the intended voyage and that the quarters occupied by such seamen should be kept sufficiently warm to protect them from the rigours of excessive cold. It is also desirable and necessary that these seamen should be provided with fresh meat every day, instead of only for two days in the week, while they are at sea, and that a sufficient quantity of tea and coffee should be given to them and that the ration of sugar should be increased from 1 oz. 8 Drs. to 3 ozs. My Committee would further like to add that the existing law should be so altered that the Indian seamen employed in such waters can claim as a matter of right all these additional rations and facilities from the time the ship enters the area restricted at present until she goes out of it.

APPENDIX 8.

Concession fares for Students going abroad.

Letter No. 2356 *dated 8th Sept.* 1933 *from Chamber to* (1) *The Lloyd Triestino, Dollar Line and Nord Deutscher Lloyd.*

I am directed by the Committee of this Chamber to address you in regard to the question of giving concessions to Indian students and professors, going abroad, for educational purposes, travelling on your boats.

You are, no doubt, aware that for some time past Indian students and professors are going abroad in an increasing number to avail themselves of the facilities obtaining in Europe and America for higher studies in various branches. Such students and professors generally have to rely, for their educational expenses abroad, on scholarships and loans that they may be able to secure here. The expenses for their passages both ways cover not an inconsiderable portion of their general expenses. It would, therefore, be a great help to them, if they can secure concessions in their passage fares. My Committee understand that the P. & O. Steam Navigation Company has been lately offering 50 per cent. concession in fares to Indian students and professors going abroad and travelling on their boats. My Committee hope that your Company also will kindly see their way to give similar concessions to Indian students and professors going abroad and travelling on your boats.

Copy of letter dated 16*th September* 1933 *from the Agent General, Lloyd Triestino, Bombay, to the Chamber* :-

"We beg to thank you for your letter No. 2356 of 8th inst., and would say that we are extremely grateful for your kind suggestion. We have communicated to that effect with our principals, and shall not fail to advise you of the result."

Copy of letter from the Dollar Steamship Lines Inc. Ltd, and American Mail Line, Bombay, to the Chamber, dated 15-9-33:

"With reference to your letter No. 2356, dated the 8th instant requesting that students may be granted concessions by the Dollar Line, plesse be advised that we have forwarded your letter to our Principals, and on receipt of their reply, we shall revert."

Copy of letter dated 12th September, 1933, from Lionel Edwards Limited, Bombay to the Chamber:

"We are in receipt of your letter [No. 2356 of the 8th/11th instant, in regard to concessions in fare to Indian students and Professors proceeding to Europe for completion of their studies, but would advise you that no vessels of the Norddeutscher Lloyd call at Bombay."

APPENDIX 9.

Rules under Sanitary clause of the Indian Ports Act—Amendments to

Letter No. 2458—B dated 28th August from Government of Bombay General Department to Chamber.

I am directed by the Governor in Council to forward herewith for the information of the Chamber a copy of Government notification no. 2548, dated the 15th August 1933, containing the draft rules proposed to be issued by Government under the sanitary clauses of the Indian Ports Act.

Draft Notification.

No. .—In exercise of the powers conferred by clause (*p*) of sub-section (1) of section 6 of the Indian Ports Act, 1908 (XV of 1908), the Governor in Council is pleased to make the following rules for the prevention of danger arising to the public health by the introduction and the spread of small-pox from vessels arriving at or being in any port in the Bombay Presidency (excluding Sind) subject to the said Act and for the prevention of the conveyance of infection or contagion by means of any vessel sailing from any such port :—

1. Any person sailing by a vessel, whether as a passenger or as a member of the crew, from any port in the Bombay Presidency subject to the said Act to any port outside India may, at the discretion of the Port Health Officer, be required before sailing to satisfy him that he has been vaccinated or re-vaccinated against small-pox not less than twelve days and not more than three years before the date of sailing or that he has scars proving a previous attack of small-pox.

Provided that for a period not exceeding six months from the date of this notification the Port Health Officer may, at his discretion, permit any such person to embark although he has not been vaccinated or re-vaccinated within the period mentioned in this rule if such person has accepted vaccination or re-vaccination by the Port Health staff or produces evidence to the satisfaction of the Port Health Officer that he has been vaccinated or re-vaccinated within the twelve days immediately preceding the date of sailing.

2. An onward bound passenger and any member of the crew of a through ship may, at the discretion of the Port Health Officer be required to satisfy him, before being permitted to land, that he has been vaccinated or re-vaccinated not less than twelve days and not more than three years before the date fixed for the departure of the vessel or that he has scars proving a previous attack of small-pox.

Provided that, for a period not exceeding six months from the date of this notification, the Port Health Officer may, at his discretion, permit any such passenger or member of the crew to land although he has not been vaccinated or re-vaccinated within the period mentioned in this rule if such passenger or member has accepted vaccination or re-vaccination by the Port Health staff or if he produces evidence to the satisfaction of the Port Health Officer that he has been vaccinated or re-vaccinated within the twelve days immediately preceding the date of arrival of the ship in port.

3. If a vessel calling at any port in the Bombay Presidency subject to the said Act has on board a person who being required under these rules to satisfy the Port Health Officer as

to his vaccination fails to satisfy him, such vessel shall be kept in quarantine until her departure from such port.

4. The Port Health Officer shall vaccinate or cause to be vaccinated any person on board any such vessel who wishes to be vaccinated by the Port Health staff on payment of the following charges :—

(*a*) in the case of members of the crew .. .. One rupee for each person vaccinated.

(*b*) in the case of passengers—

(i) if the vessel carries a medical officer .. Such charges as are laid down by Shipping Companies for the guidance of ship's surgeon subject to a minimum fee of Rs. 5.

(ii) if the vessel does not carry a medical officer .. One rupee for each person vaccinated.

By order of the Governor in Council,
R. B. EWBANK,
Secretary to Government

Letter No. 2526 dated 5th October 1933 from Chamber to Government of Bombay.

I am directed to acknowledge receipt of your letter No. 2458-B, dated 28/29th August 1933 and to submit hereby the views of the Committee of this Chamber as under on the above subject:

My Committee are opposed, on principle, to compulsory re-vaccination of passengers. They are also opposed to the proviso in draft rule 2 which gives descretion to the Port Health Officer to permit passengers or members of the crew in respect of their landing even though they had not been vaccinated or re-vaccinated within the period mentioned in the rule. Lastly, my committee are opposed to the system of charging fees for vaccination as proposed in draft rule 4.

APPENDIX 10.

Notes on points discussed with the Financial Commissioner for Railways

(1) Railway Capital Programme.

The total capital expenditure on State-owned railways to the end of 1933-34 will be Rs. 794,34 crores. The capital expenditure incurred or budgetted during each of the years 1929-30 to 1933-34 is as under :—

	Rs. (crores)	
1929-30	30.18	
1930-31	13.20	
1931-32	6.69	
1932-33*	1.34	(*Revised Estimate)
1933-34 (Budget Estimate)	3.34	

The estimate of 3.30 crores Rs. for 1933-34 includes a provision of Rs. 90 lakhs for the purchase of 2500 wagons.

In view of the general and all round cheapness of money, it is suggested in various quarters that the Government of India should take this opportunity of undertaking a further programme of capital expenditure, as this would result in increased and more efficient service which would enable the railways to cope with increased traffic when the trade revival occurs and that it would also assist some of the connected industries if this programme were undertaking now. The following resolution was passed at the last session of the Associated Chambers of Commerce of India :

> "This Association, whilst recognising the efforts which have recently been made by the Government of India to provide for railway maintenance and repair desires to urge the importance of avoiding any delay in undertaking such further programmes as will ensure that the railways will be in a position efficiently to handle the increased traffic when a revival of trade occurs. In making this recommendation the Association particularly has in mind the fact that contracts can now be placed on exceptionally favourable terms."

In reply to the general discussion on the Railway Budget, the Hon'ble Sir Joseph Bhore stated that the Government of India had come to the conclusion that on the data at present before them, they were not justified in at once embarking on a larger programme of capital works than had been provided for in the current year's budget. He also stated that the Government of India must be assured, so far as it was possible to be assured beforehand, that further capital investment was an economic investment or that it was absolutely essential in the interests of the country.

(2) Railway Rates and Freights.

Ever since the railway freight rates were increased two years ago, the Indian commercial community has been protesting against the same. In their representation to the Government of India on the Railway Budget, the Committee of this Chamber referred to this point again, and stated that, in their opinion the incidence of increased railway freights on commodities must have worked out to some prohibitive percentage in view of the lower prices prevalent during the last few years. They enquired of the Government whether they (Government) were convinced that the policy of high freight rates and fares had been beneficial to the railways of India. They expressed their opinion that, if railway freights had been lower perhaps the larger volume of traffic might have made up for the lower freight charge and at the same time benefitted the producer.

The general increases in rates and freights referred to above were made at the end of the financial year 1931-32. In his Budget speech introducing the Railway Budget for 1931-32, the Commerce Member had referred to the question of the reduction of railway freights generally, and particularly on Cotton seeds and other oil seeds. He stated that the Government of India were of opinion that the position required to be kept under constant observation, because the level of prices might so change that a reduction on freight would be benefitted both to the cultivator and the railways. About freight on cotton, the Government's view point was that so long as the cotton crops moved freely at the present rates, the freight reduction could not be faced. In 1932-33, they stated that with prices of cotton as they stood then, they were satisfied that there was no danger that the cotton crops would not move

and that no adequate grounds had been established for the reduction in freights. They added, however, that the question was under their observation.

The surcharge on the railway freight on coal imposed on the 15th January 1932, has been severely criticised by the leading commercial Associations in India. In a representation addressed to the Government of India in December 1931, the Committee of this Chamber strongly protested against this surcharge and expressed their surprise that at a time when trade and industry were in a depressed state, Government should have thought of saddling them with additional burdens, and sounded a note of warning that this additional impost might not substantially increase the railway earnings, as this step might tend to restrict the consumption, and movement by rail, of coal.

The Federation of Indian Chambers of Commerce & Industry adopted the following resolution, at its sixth annual meeting held at Delhi in April this year :—

"SURCHARGE ON COAL"

> "10. In view of the fact that the levy of 15 per cent. surcharge on the Railway freight on coal despatched after 15th January 1932, has created a great detrimental effect on the coal industry and been responsible for the loss of markets in many important and industrial centres, this Federation urges upon the Railway Board the necessity for the immediate abolition of the surcharge with a view to help the industries of the country."

In the course of the discussion in the Council of State on the 15th March 1933, in connection with the debate on a resolution re: withdrawal or reduction of the surcharge on the carriage of coal, it was pointed out that while the freight rates on coal were telescopic, no such principle was adopted in levying this surcharge and this resulted in preferential rates being accorded to stations nearer the coal fields. In his reply to this Debate, the Hon'ble Sir G. Russel stated that, in the opinion of the Government, there were no indications that the withdrawal of the surcharge would help the earnings of the railways in any way whatsoever. He added that he will have the question very carefully examined, and if after

this examination the Government decided that traffic has been seriously affected by the surcharge, or if it appeared that the industry has been seriously affected, they will re-consider the whole position, and if it then appeared that alterations in the surcharge would improve the traffic and help the industry that would certainly be given due consideration.

The following figures taken from the Railway Board's Weekly Summary, for the period ending 31 March 1933, will prove interesting :—

Cumulative loading from 1st April 1932 :

(i) For the period from 1st April 1932 to 31st March 1933, there were loaded on the broad gauge 3,669,738 wagons, being 90,213 FEWER than in the corresponding period of the previous year, or a decrease of 2.40% and on the metre gauge, 2,325,380 wagons, being 12,898 FEWER than in the corresponding period of the previous year, or a decrease of 0.55%.

(ii) Coal and Coke :—In the same period 896,522 wagons, broad and metre gauge, were loaded, as compared with 972, 466, in the corresponding period of the previous year, being 75,944 FEWER or a decrease of 7.81%. In addition, 97,556 wagons, broad gauge, were loaded during the period by the B. N. and E.I. Railways for their own use, as compared with 97,028 in the corresponding period, being 528 MORE, or an increase of 0.54%.

(iii) *grains and Pulses* : In the same period 721,147 wagons, broad and metre gauge, were loaded, as compared with 800,515, in the corresponding periods of the previous year, being 79,368 FEWER or a decrease of 9.91%.

(iv) *Oil Seeds.* In the same period 199,368 wagons, broad and metre gauge, were loaded, as compared with 225,312 in the corresponding period of the previous year, being 25,944 FEWER, or a decrease of 11.1% .

(v) *Cotton* : In the same period 138,729 wagons, broad and metre gauge, were loaded, as compared with 114,400 in the corresponding period of the previous year, being 24,329 MORE, or an increase of 21.3%"

(3) Railway Risk Notes.

The wording of the railway risk notes has always been held out to be very ambiguous and communications have often been addressed to Government by commercial bodies, drawing their attention to the necessity for making suitable alterations therein. The Committee of this Chamber had addressed a communication to the Railway Board, on the 23rd September, 1931, wherein they had drawn their attention to the hardships caused by the vagueness in the wording of certain clauses of the risk notes, particularly 'B' and 'H'. In February this year, the Committee again addressed the Government of India, conveying once again the oft repeated dissatisfaction in regard to the wording of the railway risk note forms and pointed out in detail that the forms as they stood at present absolved the railways from any liability in regard to damage, leakage or wastage etc. Under the present conditions no relief could be obtained for the loss in respect of any consignment, unless it was proved that such loss was due to the negligence or misconduct of the railway authorities. The Committee submitted that it was next to impossible for a consignor or a consignee to prove such misconduct or negligence and that the onus of proof should instead lie on the railway administrations. They requested that early steps should be taken to amend these forms.

(4) Rail-Road Competition.

This subject has been carefully investigated by the recent Committee, consisting of Messrs. Mitchell and Kirkness, and their conclusions have already been published. The Government of India convened a Conference to consider the recommendations made by this Committee. It appears that the Government of India have not yet come to any final conclusion on this matter and that the whole problem is at present under consideration. As the Committee have not received the detailed literature made available to the members of the Conference, a communication has been addressed to the Government of India asking for this literature. It may be added here that this question is already under consideration of the Committee.

A statement showing the earnings and expenditure of the state railways is enclosed.

Statement Showing Railway Earnings and Expenditure.

(In lakhs of Rupees)

	Passenger earnings	Goods earnings	Gross Traffic receipts	Nett Traffic receipts	Total receipts	Working expenses	Interest charges	Total charges	Gain from commercial lines.
1929-30	35,18	64,37	1,01,26	1,01,15	1,03,16	66,09	29,06	97,25	5,91
1930-31	31,18	59,84	93,73	93,62	95,30	65,27	31,25	98,36	—3,06
1931-32	28.53	54,69	85,42	85,31	86,45	62,65	31,58	93,69@	—7,24
1932-33	28,85	53,85	84,12	85,20	86,20	60,93	31,47	93,52	—7,32
(Revised Estimates)			1,22 (a)						
1933-34	29,25	55,00	85,83	86,92	87,84	61,17	31,47	93,64	-5,80
(Budget Estimates)			1,23 (a)						

(a) credit for material returned from works not charged to revenue.

@Total charges	95,38
Less credits for material returned from works not charged to revenue	—1,69
	93,69

APPENDIX 11.

Railway Risk Notes—Form A.

Letter No. 640 *dated* 25*th February* 1933 *from Chamber to the Railway Board.*

I am directed by the Committee of this Chamber to address your Board on the above matter as under :

This question of Risk Notes is a very old one, and has engaged the active attention of the Indian commercial community since the Report of the Railway Risk Notes Committee in the year 1922. Since then it has been a subject of correspondence between this Chamber and the Board time and again. The attention of my Committee has recently been drawn by one of the merchants dealing in cotton to various hardships, experienced in regard to booking of fully pressed cotton bales at railway risk, and the defective form of the present Risk Note Form A. Referring to the text of the present Risk Note Form A, it is to be asked for only when the goods are in the following condition :

> "to be used when the articles are tendered for carriage which are already either in bad conditions, or so de- defectively packed as to be liable for damage, leakage or wastage in transit."

This risk note absolutely absolves the railway authorities from all responsibility, unless consignees can prove that the loss of any particular portion of the consignment was due to the negligence or misconduct of the railway servants. My Committee reiterate the conviction of the commercial community that for various reasons it is difficult for merchants to prove such misconduct or mishandling on the part of the railway servants.

My Committee are of opinion that, in the case of damage the onus of proof of absence of misconduct or mishandling must lie on Railway Administration. In the particular case under reference, the attention of my Committee has been drawn to the fact that, though conditions for packing have been laid down for various commodities, such as piecegoods etc., no such conditions are laid

down for packing fully pressed bales of raw cotton. Under the circumstances, the question, whether the fully pressed cotton bales are defectively packed or not, is left to the discretion of railway booking-clerks. This state of affairs, my Committee submit, has led to litigation to an increased extent between the merchants and the railway authorities. My Committee are strongly of opinion that the time has now come to investigate the whole question of Risk Notes afresh, in view of the increasing number of complaints from the commercial community.

My Committee trust that your Board will not lose any time and will take the necessary steps to revise again the Risk Note Form A in consultation with the commercial community and thus afford the proper protection to merchants.

Copy of letter No. 488-*T dated the* 11*th October* 1933 *from the Government of India, Railway Department, (Railway Board) to the Secretary, Indian Merchants' Chamber.*

"I am directed to refer to your letter No. 640 dated 25th February 1933, on the subject noted above and to say that the Railway Board, after careful consideration, do not consider that any alteration in the wording of the Risk Note Form A so as to place the "onus of proof" on Railway is called for. In coming to this conclusion, the Railway Board have borne in mind the fact that Risk Note A was somewhat amplified to the advantage of consignors so recently as 1924 in accordance with the recommendations of the Railway Risk Note Committee of 1922.

2. As regards the alleged abuse of these Risk Notes, I am to say that the Railway Board are addressing Railways with a view to ensuring that Risk Note Form A is not taken without sufficient cause, and that when such a Risk Note is held undue advantage is not taken of it when a claim for damage *en route* is preferred."

APPENDIX 12.

Railways classification of Mowah oil and Tara Seed oil.

Letter dated 24th March 1933 from the Indian Railway Conference Association to Chamber.

I am directed to forward for your information particulars of a subject to be discussed at the July Meeting of the Commercial Committee, and request you to favour me with the views of your $\frac{\text{Chamber}}{\text{Association}}$ thereon before 1st June 1933.

Subject :— Classification of Mowha Oil and Tara Seed Oil

The following proposal from the Deputy Chief Commercial Manager, Rates, Development and Publicity, East Indian Railway will be considered :—

Mowha Oil and Tara Seed Oil are carried by Railway but there is no specific provision for them in the General Classification of Goods.

Mowha Oil is a well known Oil and in the absence of any provision is charged over this Railways as for Vegetable Oils N.O. C. Tara Seed Oil is manufactured from Tara Seed, indexed to Seeds Common. This oil is also known as Sohan or Jambhu Seed Oil in some parts of the country. It is used as a substitute for Mustard Oil and its price varies from Rs. 8/- to Rs 9/- per maund.

I beg to suggest that Mowha Oil and Tara Seed Oil be indexed to Oils Division C, classified 4 R. R. and 2 O. R. and that Sohan and Jambhu Seed Oils be shown as synonyms for Tara Seed Oil in the list of synonyms, trade names etc.

Will you please place the matter before the Commercial Committee for Interchange for consideration at their next meeting.

A draft resolution on the subject is given below :—

> The Commercial Committee recommend that Mowha Oil and Tara Seed Oil indexed to Oils Division C and that Sohan and Jambhu Seed Oils be shown as Synonyms for Tara Seed Oil in the list of Synonyms, trade name etc.

Letter No. 1409 dated 24th May from Chamber to the Railway Conference Association.

I am directed to acknowledge receipt of your letter No. T. 97/VIII/1, dated 24th March 1933, and to inform you that the Committee of this Chamber have no objection to the proposed classification of Mowha oil and Tara seed oil as mentioned therein.

APPENDIX 13.

Railway classification of Silk Twist or Thread.

Letter dated 18th April 1933 from the Indian Railway Conference Association to Chamber.

In continuation of this office letter No T. 97/VIII/2 dated 1st April 1933, I am directed to forward herewith particulars of an additional subject to be discussed at the next meeting of the Commercial Committee, and request you to favour me with the views of your Chamber / Association on the proposal as early as possible.

Subject :— Classification of silk twist or thread

The following proposal from the Chief Commercial Manager, North Western Railway will be considered :—

Piece-goods, cotton or woollen, etc. and silk twist or thread were classified from time to time as follows :—

	Prior to 15.4.20	From 15.4.20.	From 1.4.22
(i) Piece-goods cotton or woollen, in bales, press packed or bound with iron bands or packed in boxes or cases.	2 R. R.	3 R. R. 2. O. R.	6 R. R. 4. O. R
(ii) Piece-goods cotton or woollen, not press-packed or not packed in boxes or cases.	3 R. R.	4 R. R. 3. O. R.	8 R. R. 6. O, R.
(iii) Silk twist or thread	3 R. R.	3 R. R.	6 R.R.

Twist and thread, cotton etc. are indexed to the entry of piece goods, cotton and woollen etc. and as such the rate for silk twist or thread prior to 15.4.20 was the same as for cotton or woollen twist or thread, not press-packed etc. and higher than that for cotton or woollen twist or thread in bales etc. The classification for items (i) and (ii) above raised from 15. 4. 1930 as shown above, vide page 2 of Circular No. 3 to the General Classification of Goods (No. 8), but as no change was made in the classification for item (iii), this has upset the relative position of the rates for silk twist or thread and cotton and woollen twist or thread. Since the general enhancement of the classifications from 1.4.1922, the classification for piece goods cotton, woollen etc., not press-packed has been enhanced to 8 R. R., 6. O. R., but that for silk twist or thread has been enhanced to 6 R. R. only.

2. The classification of silk twist or thread is thus now lower than that of cotton and woollen twist or thread, not press-packed as well as artificial silk twist or thread, not press packed (the entry of piece goods etc. having been subsequently altered to piece-goods cotton, woollen, or artificial silk), which is anamolous as silk twist and thread is more valuable than cotton, woollen or artificial silk twist or thread. In order to remove the anamoly and revert to the same position as existed prior to 15.4.1920, it is suggested that the classification for silk twist or thread be enhanced to 8 R. R. I shall be glad, therefore, if you will please put up the following draft resolution to the Commercial Committee for Interchange for consideration :—

> "The Commercial Committee for Interchange recommend that the classification for silk twist or thread be raised to 8 R. R.

Letter no. 1407 *dated 24th May* 1933 *from Chamber to the Association.*

I am directed to acknowledge receipt of your letter No. T. 97/VIII/3, dated 18th April 1933, on the above subject, and to observe as under :

My Committee appreciate the reason given for the proposal to enhance the classification of Silk twist or thread to 8 R. R. They would, however, like to suggest that classification for silk twist

or thread moving from interior places like Mysore, Bengal and Benares, which are the principal centres of silk production in the country, should not be raised, because such a step would constitute a handicap to the indigenous sericulture industry. With regard to rates however from Ports on silk twist or thread, they have no objection to the classification being enhanced as proposed.

My Committee trust that the Indian Railway Conference would bear in mind the suggestion made by them, while giving effect to the proposed new classification for silk twist.

APPENDIX 14.

Railway classification of toys.

Letter dated 31st March 1933 from the Indian Railway Conference Association to Chamber.

In continuation of this office letter No. T. 97/VIII/1 dated 24th March 1933, I am directed to forward, for your information particulars of an additional subject to be discussed at the net meeting of the Commercial Committee, and request you to favour me with the views of your $\frac{\text{Chamber}}{\text{Association}}$ on the proposal, as early as possible.

Subject: *Classification for toys, imported and country.*

The following proposal from the General Traffic Manager, Bombay, Baroda and Central India Railway will be considered:—

Imported toys manufactured from Tin, Rubber and Celluloid are booked from the Ports and the question has arisen as to the head of the classification under which they are chargeable.

Toys, imported, are classified 4 R/R. 2 O. R. while Tinware N. O. C. Rubber manufactured and Celluloid are classified as follows

		R. R.
Tinware, N. O. C.	..	4
Rubber manufactured.	..	6
Celluloid manufaetured or unmanufactured.	..	8

As the classification stands, all kinds of imported toys (whether made from Tin, rubber or celluloid) are chargeable under the head of "Toys, imported, 4 R/R., 2 O. R." but in view of the fact that celluloid bangles have recently been classified 6 R/R., 4 O. R., it seems to me that 4 R/R., 2 O. R., is too low a rate for tin, rubber & celluloid toys. I consider that the existing entries should be altered as follows :—

Existing			To be altered to		
	R.R.	O. R.		R. R.	O. R.
Toys, country	2	-	Toys, bamboo, clay and Wooden.	2	—
Toys, imported.	4	2	Toys, celluloid, tin or rubber.	6	4.
			Toys, N. O. C.	6	4.

Letter No. 1408 *dated 24th May from Chamber to the Association.*

I am directed to acknowledge receipt of your letter No. T. 97/VIII/2, dated 1st April 1933, and to inform you that the Committee of this Chamber have no particular views to offer regarding the suggested classification for toys, imported and country.

APPENDIX 15.

Railway Classification—Disposal of questions considered by the Railway Conference Association. (The Original letters in File R. 57 of 1933)

Letter from the Indian Railway Conference Association dated 5th December 1933 *to Chamber.*

Meeting of the Commercial Committee of the Indian Railway Conference Association held in July 1933 at Bangalore.

With reference to subjects discussed at the 22nd Meeting of the Commercial Committee held in July 1933, particulars of which were communicated to you, vide this office letters noted in the margin, I beg to state that the subjects in question have been disposed of as under:—

(1)	Letter	No. T. 97/VIII/1	dated	24th	March	1933.
(2)	,,	,, T. 97/VIII/2	,,	1st	April	,,
(3)	,,	,, T. 97/VIII/3	,,	18th	,,	,,
(4)	,,	,, T. 97/VIII/4	,,	12th	May	,,
(5)	,,	,, T. 97/VIII/5	,,	16th	,,	,,
(6)	,,	,, T. 97/VIII/6	,,	18th	,,	,,
(7)	,,	,, T. 97/VIII/7	,,	19th	,,	,,
(8)	,,	,, T. 97/VIII/8	,,	25th	,,	,,
(9)	,,	,, T. 97/VIII/9	,,	26th	,,	,,
(10)	,,	,, T. 97/VIII/10	,,	7th	June	,,

(1) Classifications of Mowha Oil and Tara seed Oil.

With effect from 1st February 1934 "Mowha Oil" and "Tara seed Oil" will be indexed to "Oils—Division C, P/13, 4 R.R. 2 O.R"

(2) Classification of Toys, imported and country

With effect from 1st February 1934 "Toys, country, 2 R. R." and " Toys, imported, 4 R. R. 2 O. R. " will be deleted and the following articles will be classified as under :—

	R.R.	O.R.
Toys, bamboo, clay and wooden ..	2	-
Toys, celluloid, tin and rubber ..	4	2
Toys, N. O. C. ..	4	2

(3) Classification of Silk twist or thread.

With effect from 1st February 1934, (1) the existing entry 'Piece-goods, silk, P/19; e, 9 R. R." will be altered to read as under :—

	R. R.	O. R.
Piece-goods, silk P/19 ;	9	—
Includes —		
Silk, manufactured, N. O. C.		
Thread or twist.		
Velvet		

and (2) the existing entries "Silk, manufactured, e, 8 R. R." "Silk twist or thread e, 6 R. R." and "Silk, velvet, e, 8 R. R." will be deleted.

(4) Classification of Bone Charcoal and Animal Charcoal.

The matter was considered by the Commercial Committee at their 23rd Meeting held in October 1933 at Simla. The recommendation of the Committee are under approval by the Railways parties to the Association and the result thereof will be communicated to you in due course.

(5) Rates for Cheese by Passenger train.

With effect from 1st February 1934, the words "cheese (not imported)" will be deleted from Rule 136 of Coaching Tariff No. 9.

(6) Carriage of empty drums, empty petrol tins and empty kerosene oil tins.

The Commercial Committee do not approve of the suggestion made by the Assam Bengal Railway.

(7) Rate for Baibarang.

With effect from 1st February 1934 "Baibarang" will be indexed to "Drugs, country, 4 R. R."

(8) Classification of Tyres, iron or steel.

With effect from 1st February 1934 "Tyres, iron or steel" will be indexed to "Iron or steel —Division B, P/6, 2 R. R."

(9) Classification of Kamach or Kounch seeds.

With effect from 1st February 1934 "Kounch seeds" will be indexed to "Drugs, country, 4 R. R."

(10) Classification of Roumanian and Russian Oils.

In this connection the Resolution of the Commercial Committee is reproduced below :—

The Commercial Committee for Interchange in examining the question of the classification of Russian and Roumanian oils have carefully considered the reference from the Railway Board and the opinions of

1. the railways concerned,
2. the Chief Inspector of Explosives,
3. the oil trade, and
4. the representative commercial bodies.

It appears to the Committee that the problem of classification of these arises from two causes, namely,

(a) the importation of an oil which though it declared to be a fuel oil yet is not only suitable for, but is actually sold for use as an illuminant, and

(b) the charging of a higher rate for kerosene oil which has hitherto been the mineral oil solely used as an illuminent, than for fuel oil.

They are of opinion that railway have been justified in acting in accordance with established practice by charging these commodities at the highest rate applicable to them in the main head in the General Classification of Goods in the absence of an authoritative pronouncement as to their exact composition and use, and in view of the fact that they were not accepted by the Customs Department as fuel oil.

Furthermore, experience shows that these oils are being used widely in substitution for kerosene oil and are advertised as such by the up-country agents responsible for their retail distribution.

Whilst, therefore, there have been good grounds for charging these oils at the same rates as for kerosene oil, the Commercial Committee are of opinion, in view of the fact that these oils have now been authoritatively pronounced as having the characteristics of fuel oil and have been recommended by the Chief Inspector of Explosives for carriage as such in accordance with the existing method of classification, railways should follow the English practice by applying the lower charge to oils having a flashing point of over 150° Fahr.

A final decision of this question hinges upon the ability to distinguish between an oil that is an illuminant and is, therefore, believed to be capable of bearing a higher charge, and one that is not and the Commercial Committee are of the opinion that early steps should be taken towards devising an appropriate formula for the identification of illuminating oils to permit their classification as distinct from fuel oils so that loss of railway revenue may be prevented.

It is understood that a satisfactory test has now been found for these oils and their classification will probably therefore, be further discussed at the next Meeting of the Commercial Committee to be held in February 1934.

APPENDIX 16.

Railway freight on C. P. Coal over the G. I. P.

Letter No. 1980 *dated* 19*th July from Chamber to Railway Board.*

I am directed by the Committee of this Chamber to address the Railway Board hereby regarding the request of Indian Colliery Owners Association, Indian Mining Federation and the Indian Mining Association of Calcutta to increase the Railway freight on Central Provinces coal.

My Committee have carefully considered the representation made to the Railway Board by the abovementioned Associations. They feel that the reasons set out in the representation under reference do not disclose the real position in regard to the present freight rate on the C.P. Coal over the G.I.P. Railway. The request to increase the freight on C.P. Coal is based on the ground, as put forward by the Bengal Coal interests, that at present the C.P. Coal is charged by the G.I.P. Railway on a lower scale than that charged by other Railways for the Bengal and Central Indian coal. The petitioners point out that this constitutes an injustice to them, and as such, the Railway Board are requested to remove the same by increasing the freight on C.P. Coal.

My Committee would like to consider this ground closely in order that the Railway Board may correctly appreciate the position. The Railway Board are no doubt aware that the total annual output of the C.P. collieries is about one million tons, which forms about 5 per cent of that of Bengal, and therefore, the complaint that lower freight charged on C.P. coal materially affects the distribution of the Bengal coal cannot hold good. Statistics for the years 1929, 1930 and 1931 show that Bengal coal consumed in Ahmedabad was practically the same quantity. It is clear, therefore, that the Bengal coal is not displaced by the C.P. coal in that City as alleged by the Bengal Coal interests.

My Committee would like to point out in this connection that the C.P. has only a limited area for its market in the Western part of the Bombay Presidency, while Bengal coal has not only the whole of India, with all her ports, at its disposal but has even some of the overseas markets on account of the low sea-freight. Further, the Bengal coal is imported into Bombay by sea, freight or the carriage of such coal being considerably low. Over and above these advantages, and B. N. and the E. I. Railways my Committee understand, give a rebate of Rs. 1/8 per each ton of coal exported from Bengal and carried over their lines. It may pertinently be asked if this rebate does not in fact constitute discrimination in favour of Bengal coal. The factors mentioned above prove that the Bengal coal is in a much more advantageous position than the C.P. coal. As a matter of fact the C.P. collieries are working under various disabilities, such as paucity of labour, comparative high cost of production, Royalties to be paid to the C.P. Government etc. These disabilities add considerably to the disadvantages mentioned above in the way of the C.P. collieries.

The Railway Board, when giving sanction to the present freight rate over the G.I.P. Railway on C.P. coal, must have no doubt done so after carefully considering the various factors as mentioned in this communication. Under the circumstances, my Committee entirely fail to see any justification for the petition by the Bengal coal interests to the Railway Board to increase the freight on C.P. coal over the G.I.P. Railway. Such an increase, if sanctioned by the Board, my Committee are strongly

of opinion, would prejudicially affect the C.P. coal industry, as also the cotton textile industry of Ahmedabad. My Committee understand that the Ahmedabad Millowners' Association also have strongly protested against the increase.

My Committee, therefore, request the Railway Board to be pleased not to sanction any increase in freight rate for C.P. Coal over the G.I.P. Railway.

APPENDIX 17.

Representation on the Commercial Pannel of the Railway Rates Advisory Committee.

Letter No. 1679—*T dated 27th November* 1933 *from Railway Board to Chamber*

I am directed to refer you to the Railway Department (Railway Board) notification No. 1679-T, dated the 16th December 1930, published in the Gazette of India dated the 20th December 1930, and to say that as the Railway Board proposes to publish a revised list, they will be glad to know what, if any, changes should be made in the list so far as your Chamber is concerned.

Letter No. 3089 *dated 8th December* 1933, *from Chamber to Railway Board*

With reference to your letter No. 1679-T, dated 27th November, 1933, I am directed to inform you that the following four gentlemen will continue to represent the Chamber on the general panel of commercial representatives for collaboration with the Railway Rates Advisory Committee:—

(1) Sir Munmohandas Ramji, Kt.,
Patel Bldg., Churchgate Street, Fort, Bombay;

(2) Sir Purshotamdas Thakurdas, KT., C.I.E., M.B.E.,
Navsari Chambers, Outram Road, Fort, Bombay;

(3) The Hon'ble Sir Phiroze C. Sethna, Kt., O.B.E., Canada Bldg., Hornby Road, Fort, Bombay;

(4) Mr. Manu Subedar, B.A., B.Sc., Tach. (Manc.) F.I.C., M.I. Chem. E.,

Kodak House, Hornby Road, Fort, Bombay;

and that Sheth Mathuradas Vissanji (9 Wallace Street, Fort, Bombay) is nominated in place of Mr. Kapilram H. Vakil.

APPENDIX 18.

Railway freight on Cotton from Wun and Warora to Bombay.

Letter No. 2358 dated 8th September 1933 from Chamber to the Chief Traffic Manager, G.I.P. Rly.

The attention of the Committee of this Chamber has been drawn by a member to the increase in freight rates from Rs. 2/2 to Rs. 2/6/8 and from Rs. 2/0/2 to Rs. 2/7/3 per maund of F. P. Cotton bales from Wun and Warora respectively, to Bombay from February 1932. They regret to note that no reason justifying the said increases had been advanced by you. My Committee understand that while the rates from Wun and Warora to Bombay have been increased, that from Hinganghat, a station only a few miles off Warora, has remained unchanged, with the result that a considerable portion of the cotton trade of Wun and Warora has been diverted to Hinganghat and Yeotmal to the detriment of the former interests. They, however, understand that recently, as a result of representations by the merchants affected the respective rates from Wun and Warora to Bombay have been slightly reduced (from Rs. 2/6/3 to Rs. 2/5/5 and Rs. 2/7/3 to Rs. 2/5/5;) but the change has not set right the disparity in comparison to rates from the neighbouring stations above referred to. My Committee are of opinion that in these days of depression there was primarily no reason justifying any increase in the rates, and, at any rate, there was no reason to single out these two centres for such discriminatory treatment in the matter of rates.

My Committee would, therefore, request you to be pleased to reinstate the old rates for Wun and Warora in justice and fairness to the interests of the cotton trade of those centres.

Letter dated 16th December 1933 from Gordhandas G. Morarjee, representative of the Chamber on the G. I. P. Rly. Committee, to Chamber.

With regard to the increased freight on cotton F. P. Bales from Wun and Warora, I have seen the Chief Traffic Manager on the 11th instant in company with Mr. Govindji Narandas and a Parsi gentleman representing the Gamudia Factories from Warora. We explained to him in details the difficulties of merchants, and ginning and pressing factory owners, as well as those of cotton dealers there with facts and figures, and after good deal of discussion lasting for more than an hour, the Chief Traffic Manager has consented to reduce the rates of F. P. Cotton Bales from Wun and Warora to Bombay as mentioned in his letter of 14th instant, a copy of which is sent herewith.

Copy of the Letter No. RC. 4/761 dated Bombay 13th December 1933, from Mr. J. H. F. Raper to Gordhandas G. Morarji, Esquire.

Re. Special rate for cotton F. P. from (1) Wun (2) Warora to Bombay.

"With effect from 20-12-1933, cotton F.P. from Wun and Warora to Bombay will be charged as follows :—

Wun—Bombay	Rs.	2	3	3	O.R.
	„	2	3	9	R.R.
Warora—Bombay	Rs.	2	1	10	O.R.
	„	2	2	4	R.R.

I shall be obliged if you will inform the two gentlemen who accompanied you, accordingly."

APPENDIX 19.

First and Second Class Mileage Coupon Tickets.

Letter No. 2522 dated 7th November 1933 from Chamber to the Agents, G. I. P. & B. B. & C. I. Rly.

I am directed by my Committee to address you in connection with the necessity for re-introducing the system of mileage coupon tickets for First and Second Class commercial travellers. In 1931 when my Committee got information that the Railways were seriously considering the withdrawal of this facility, they desired their representative on the Advisory Committee of your Railway to intercede in the matter with a view to ensure the continuance of the service. Unfortunately the Railway Administration decided otherwise.

My Committee do not wish to enter into a detailed examination of the reasons advanced by the Railway Company in justifying their decision. The chief reasons, and perhaps the only important reason by which the Railway Company sought to justify their decision was that the facility was abused and that more often than not such tickets were used for domestic and pilgrimage purposes. Even then it was pointed out on behalf of the Commercial community that it would be unjust and improper to deny to the whole community a useful facility for the alleged misfeasance of certain individuals. They favoured the imposition of adequate checks to prevent such abuse and expressed themselves unequivocally against the proposal for abolishing the system.

In these days when the Railway Administration themselves are resorting to various concessional services mainly for increasing their own traffic and incidentally for meeting the altered economic conditions consequent upon a period of continued depression, it is but fit that they should extend such facilities to the Commercial community also. My committee have before them the considered views of some of the Commercial houses which had been taking advantage of this kind of service when it existed, that with the stoppage of the concession they have had to curtail heavily their tour programme and consequently they have

been inconvenienced not a little. My Committee, therefore, once again strongly recommend that the Railway Administration should reconsider their position and examine sympathetically the possibility of re-introducing the mileage coupon tickets system.

Letter No. RC.-1101 *III dated the* 11*th November* 1933 *from the Chief Traffic Manager G. I. P. Railway, to the Secretary, Indian Merchants' Chamber.*

"I beg to advise you that the Agent of the G.I.P. Railway has instructed me to deal with your letter No. 2822 of the 7th November 1933.

The reintroduction of mileage coupon tickets for first and second class passengers is under careful consideration. I have made certain proposals to other railways and await their replies.

I regret that I am not able to advise you at the present moment, whether or not, these mileage coupon tickets will be re-introduced."

APPENDIX 20.

Communications in Nira Valley.

Copy letter No. N.V/1212 *of* 1933, *dated* 17-3-1933, *from the Executive Engineer on Special Duty, Nira Valley Communications Enquiry, Poona, to the Secretary, Indian Merchants' Chamber* :

"Mr. R.O.C. Thomson, Executive Engineer (Railways) and I have been deputed for two months by the Railway Board and the Government of Bombay respectively, to jointly enquire and report on the matter of communications, rail and road, in the Nira Valley, particularly with reference to sugar factory development.

2. We should very much appreciate the opinion of your Chamber or that of any of your members interested in the manufacture of sugar on the following points ;—

(1) What would be the best type of transport for the development of this area ?

(2) Hence what improved, new, or extensions or existing communications are desirable ?

(3) What are the lines of distribution of foreign sugar from Bombay at present ?

(4) What are likely to be the probable lines of distribution of sugar from the Akluj area ?

(5) Are future irrigation and sugar factory developments in the Nizam's Dominions, Mysore and Madras likely to affect factories in the Akluj area competitively ? If so, how, in regard to the direction of flow of sugar from Akluj factories ?

(6) 'It is understood that if suitable communications be provided, sugar factories are likely to be started immediately. Can you confirm this in any way ?"

Letter No. 1087 *from Chamber to the Executive Engineer Nira Valley enquiry.*

I am directed by the Committee of this Chamber to acknowledge the receipt of your letter No. N. V/1912, dated 17th March, 1933, and to send below their replies to the questions raised therein.

As regards question No. (1), My committee are of opinion that transport by rail will be the main solution for the development of the Nira Valley. Road communications also will have to be improved so that the interior of the area may be joined with the Railway lines.

With regard to No. (2), my Committee are of opinion that new railway lines, joining Baramati or Diksal with Akluj and joining Akluj with Pandharpur and Lonand, will meet the needs of railway transport. They would particularly invite your attention to the necessity for improving the condition of several Nallas that at present impede vehicular traffic. This, they believe, is necessary if the roads are to serve as feeders to the railway

lines. My Committee understand that the Nira river at Sarati is practically unfoundable by car throughout the year, and cart and vehicular traffic is obstructed during major portion thereof. They, therefore, recommend that the causeway should be constructed at that place.

With regard to No. (3), at present the distribution of foreign sugar is effected by importing sugar from Bombay to Baramati by rail and to Akluj from Pandharpur and Diksal by carts.

With regard to No. (4), my Committee cannot definitely express any opinion on this point, but they believe that the chief consuming centres would be Pandharpur, Barsi, Sholapur and Karnatak.

With regard to No. (5) it is possible that competition from Mysore and Nizam's Dominion may be felt to an extent by factories that may be established in the Akluj area, particularly if there are no cheap and satisfactory transport facilities.

With regard to No. (6), my Committee are of opinion that with an early assurance of railway transport facilities, the Akluj area is sure to be developed for sugar production.

Letter No. 7155/27 *Rg. dated 6th October, from the Government of Bombay, P.W.D. to Chamber.*

I am directed by the Governor in Council to forward herewith a copy of the report on the Nira Valley Communications by Messrs. W. A. Evershed and R.O.C. Thomspson and to request that you will kind, communicate before the 23rd of this month your views on the commendations made in the report so far as they refer to the provision of railway communications in the area.

Letter No. 2649 *dated* 21*st October* 1933 *from Chamber to Government of Bombay.*

I am directed to refer to Government of Bombay, P.W.D. letter No. 7155/27-Rly., dated 7th October, 1933, and in reply to send hereby the views of my Committee on the recommendations of the Report regarding Nira Valley Communications, in so far as they refer to the provision of railway communications in the area.

At the outset, my Committee endorse the recommendation in para 171 of the Report, emphasising the necessity for urgency in considering and carrying out proposals for transport facilities in the area. They are constrained to say that the matter should have received serious attention much earlier, and in fact every sort of enquiry in the past, connected with the improvement of the area, has resulted in a stress being laid on the immediate necessity for improving transport facilities. Government have spent a goodly sum of over Rs. 7 crores in irrigation works in this area, and it should be the anxiety of Government that full use is made of this area, thereby justifying the expenditure on the same. Proper rail communication ought to have been make up for the lag by immediately tackling the problem.

Coming to the recommendations of the Special Committee deserving immediate attention, they find that the proposed railway line will serve only one of the three existing sugar factories. The Phalton and Kalamb factories will not be served by the proposed line. My Committee feel that the letter areas should also be touched, and, therefore, cannot agree to the present alignment for the railway. They would instead suggest a line of 2'-6" gauge, starting from Baramati crossing the river Nira near Kalamb factory and joining the alignment proposed in the report at Nateputa or near about, and following thereafter the route recommended. In order that the Phalton factory may be served, the best way would be to extent Dhond Baramti line to Louand through Phalton town and Phalton factory, If, however, on financial grounds the same is not feasible, a line from Phalton factory to Lonand should be provided.

In map No. 1, annexed to the Report, the factory areas are marked Nos. 1 to 7. At present factories exist or are nearing completion only in areas, 1, 5 and 7, and strangely enough, the proposed line is not intended to serve areas 1 and 7. My Committee have noted the remarks in the Report regarding potential areas. All the same they are inclined to think that proper encouragement to the existing factories would be a greater incentive towards further exploitation of the area. To them it seems that the suggestion, that the line should cross the river at Kalamb, is more fair, as it will then pass through the centre of

the area, made up of Nos. 3 and 7, as against the extreme south as recommended in the Report.

Regarding development of road transport, the same will be costlier than rail, and therefore it is essential that railway communication should be made available to all the factories.

If for financial considerations, it is not possible to take in hand immediately the construction of a full-fledged railway line with provision for passengers carrying as suggested above, the immediate requirements would be served by a fairweather Goods tram line.

My Committee also agree to the recommendation in para 166, regarding the use of Government land, whether under the Irrigation Department or Public Works Department for laying the tramlines by factory owners. They further suggest that if factory owners are prepared to pay for the land for the tramlines such other tracts of land, not exceeding about 20 feet in width, should be acquired for the purpose.

In conclusion, my Committee would again stress the necessity for giving this matter early attention.

APPENDIX 21.

Acceptance of D.L. Telegrams on Sundays and Holidays.

Letter No. 526-*T*/32 *dated* 1*st September* 1933 *from the Director General of Post and Telegrams to Chamber.*

I am directed to inform you that Daily letter telegrams are not at present accepted for despatch by Telegraph offices in India on Sundays and telegraph holidays, and as such, sufficient operative staff are not brought on duty to deal with these cheap rate telegrams on those days.

A suggestion has however recently been made by the Karachi Chamber of Commerce for the acceptance of Daily letter telegrams on Sundays and telegraph holidays. Under the

International telegraph service regulations of Madrid 1933 the booking of this class of telegrams on telegraph holidays is optional. So far no request has been made by the public bodies for this additional facility. It appears therefore that Daily letter telegrams are hardly required to be despatched by the mercantile community on Sundays and telegraph holidays. Before coming, however, to a decision on the question, the Director-General will be glad to have your views on the suggestion.

Letter No. 2357 dated 8th September 1933 from Chamber to Director General.

I am directed to acknowledge the receipt of your letter No. 526-T/32 dated the 1st September 1933, and to say that my Committee are in agreement with the suggestion for the acceptance of Daily letter telegrams on Sundays and telegraph holidays.

APPENDIX 22.

Interview with the Director General of Posts and Telegraphs 4-11-33.

Notes on points of discussion—President's observations.

On behalf of my Committee I have great pleasure in extending to you, Sir Thomas, a hearty welcome. Both myself and my Committee are glad of this opportunity for meeting you and discussing questions connected with your Department, as such talks around the table are to the advantage of Government and the commercial community.

I quite realise that the discussion that we are going to have has to be considered as more or less informal. I also recognise that with regard to some items on the Agenda, questions of policy are involved and that therefore you will be in a position only to give my Committee information on certain points and perhaps may not like to discuss the merits and demerits of the policy. Nonetheless, I do think that perhaps a full discussion even on such points will enable you to appreciate fully the point

of view held by the commercial community and to place your impressions before the Hon'ble Member in Charge of the Department whenever a suitable occasion arises, and with this hope we have placed on the Agenda some of these questions which involve questions of policy.

1. Chamber's representation on the Board of Directors of the Bombay Telephone Co.

I now come to the first point on the Agenda, viz., the question of representation of the Chamber on the Board of Directors of the Bombay Telephone Company. We have already carried on correspondence on this subject with your Department, and I am sure you must be aware of the points of difference between the Chamber and the Telephone Company. Briefly stated, the points at issue are :

(1) Whether the provision in clause 4 of the Agreement between the Secretary of State for India and the Company in regard to the appointment of a representative of the Indian Merchants' Chamber on the Company's Board of Directors was confined to the first Board of Directors or applied to all the subsequent Boards.

(2) Whether if a member of the Committee of the Chamber who was appointed on the Board as its representative ceased to be a member of the Committee, he *ipso facto* ceased to be a Director of the Company as representative of the Chamber.

In regard to both these points, your Department has ruled that the stand taken by my Committee is correct.

The Company, in their reply to your Department dated 16th August 1933, a copy of which was forwarded to this Chamber, pointed out certain difficulties that would be experienced under articles 129 and 133 of the Articles of Association of the Company in giving effect to the letter and spirit of clause 4 of the Agreement, if there were changes during the year in the name of the representative. Surely the provisions of the Agreement cannot be allowed to be defeated just to suit the administrative conveniences of the Telephone Company in conforming to its Articles

of Association. If what was intended to be done in the Agreement could not be carried out under the Articles of Association, certainly it stands to reason that that portion of the Articles of Association is repugnant to the Agreement and therefore no time should be lost in repairing the oversight by amending the articles suitably. My Committee, therefore, suggest, and they confidently hope, that Government will take a firm stand in this matter and see that the Telephone Company satisfies both in letter and spirit the provision in the Agreement in this regard.

2. Revision of Postal Rates.

In September 1931, as a result of the emergency in regard to Government finances, among other things, the postal charges were considerably enhanced, despite the fact that the public were very much opposed to the increases. It was certainly a form of taxation to which serious objection could be taken and has been taken. Government finances are said to have improved, and Government even felt justified in remitting half the cut in the salaries of public servants. My Committee should have thought that relief in certain taxes and surcharges should have been the first charge on improvement in the finances. They, therefore strongly feel that the time has come when Government should restore the old level of postal and postal parcel rates.

3. Air Mail Rates.

Representations have already been made to Government regarding the necessity for reducing charges for air mail letters. Whereas the charge for a letter by the air mail from England to India is six pence per unit, the charge for the same facility from India to England is 8 1/2 annas. My Committee feel that there is no justification for this disparity. It might be argued that in England the air mail service is made much greater use of and that the aggregate income from that source was much greater than that in India. My Committee point out that that itself is a greater reason for reducing the charges. Air mail facility is not considerably used by business houses and merchants in India, and it is necessary for the success of the Service that a greater "Air Mail Sense" is induced in the Indian mercantile community.

For this, cheaper rates would certainly go a very long way. My Committee therefore suggest that Government should examine the point at an early date.

4. Air Mail Service and Imperial Airways.

As I said in my introductory remarks, this is a question involving policy and perhaps could adequately be dealt with only by the Member-in-Charge. Still we have thought it desirable to bring this point up before you, so that you may personally know our feelings in the matter and place the same before the Government in proper time.

My Committee would like to voice the disappointment of the Commercial community with the action of the Government of India in bringing about the formation of the Indian Trans-Continental Airways, Ltd., with 51 per cent capital allotted to the Imperial Airways, Ltd. It was the accepted policy of the Government of India that in the development of Air Service within the country, they would encourage the formation of an Indian Company, thereby meaning a preponderating Indian shareholding, Indian control, management, etc. The fundamental perquisite, namely, national shareholding has been brushed aside and a 51 per cent interest in this direction is given to a non-Indian company. Again, a further 24 per cent of capital is allotted to the Indian National Airways, Ltd. My Committee would like to be informed as to the composition of this new company. It is possible that there may be non-national shareholding in this subsidiary company also, thereby increasing the non-national percentage of the capital in the main company.

Information about the composition of the Indian National Airways, Ltd., will be all the more interesting, as this company is expected to work the feeder services within the country.

My Committee cannot help mentioning that the undertaking, perhaps implied, given by the Hon'ble Member-in-Charge of Industries and Labour on 26th September 1929 on the floor of the Legislative Assembly in regard to the stipulation under which Air Mail Service was going to be developed has been sent at naught by this subsequent action.

5. International Telegraph and Postal Conventions.

Many important decisions affecting the postal and telegraph services are taken at the International Conferences. Although participation at these conferences is limited to official delegations, it is necessary that greater association of commercial interests in connection with these gatherings is ensured. In regard to many of the foreign countries, generally the official delegations obtain the views of representatives commercial organisations on the subjects coming up for discussion at these conferences. Unfortunately in this country such a consultation does not take place. To cite a recent example, at the International Telegraph Conference held in Madrid in 1932, various decisions of far-reaching importance to the user of the telegraph service were taken. Certainly the commercial community who are affected by these decisions must have views on those questions which so far as India is concerned have now gone unrepresented.

Again the decisions taken at these conferences are, my Committee understand, to come into force in January 1934. Except from cursory press reports, they have no official document containing the record of work done at the conferences. It is therefore, suggested that in future Government should make available to the commercial community the full agenda of such conferences for an expression of their opinion, and also after the conferences are over send to them a resume of the decisions arrived thereat, together with a note of the views or intentions of the Government on the same.

6. Trunk Telephone Service—Extension of Hours for Half-Rate Calls

At present Trunk Telephone Calls are allowed at half the scheduled rates between the hours 8 p.m. to 8 a.m. Suggestions have been received from various quarters that the hours for which this concessional rate is applicable should be increased from 6 p.m. to 9 a.m. The very underlying idea of a concessional rate is to stimulate traffic during hours which are considered slack, so that the congestion on the line may be spread over on a more uniform basis during all hours of the day and night. My Committee, therefore, feel that the purpose for which the reduced rates are

allowed would be better served if this facility is extended as indicated by them. Perhaps this is a suggestion which is an old one and which has been made from various quarters. My Committee, therefore, feel all the more strongly that Government should consider the desirability of meeting the wishes of the commercial community in this matter.

Sir Thomas, again, I thank you for utilising the occasion of your visit to this city for meeting us.

MINUTES OF THE INTERVIEW.

1. Sir Thomas Ryan, in reply to the points, seriatim, observed that with regard to item No. 1, he felt uncertain whether the issue was one of present practical importance, but he appreciated the viewpoint of the Committee and assured them that the matter would be looked into on his return to Delhi.

2. With regard to item No. 2, while recognising the force in the argument that the present increased Postal rates were high, in comparison with the resources of most users of the Post Office, would undoubtedly be fully debated in due course. At the same time he would be only too pleased if some relief could be given to the public in regard to Postal rates, and assured the Committee that he would place before Government their views in the matter.

3. With regard to item No. 3 Sir Thomas pointed out the basic difference in the scales of postal charges in England and India, which explained to a certain extent the disparity in Air Mail rates in England and India. He added that in England the Air Mail service was receiving a substantial subsidy from Government. He was in favour of the suggestion that a flat rate should be introduced for air mail letters to India, instead of the existing differential rates (6d. per half ounce to Karachi but 8d. to other places served on the Inland air services), just as India had already adopted a flat rate for outward letters, but said that up to date it had not been possible to induce the British Post Office to agree in this view. He promised that he would do anything possible to keep the matter in view.

4. With regard to item No. 4, the Director General said that this did not lie in his jurisdiction. He knew that the Government

of India always had prominently in view the desirability of ensuring as far as possible that Indian capital should have its proper share in such concerns, and that this had not been lost sight of in the present instance. The explanation of the actual arrangements made in this case did not lie with him but with the Government of India before whom he promised to place the Committee's observations.

5. With regard to item No. 5, the Director General expressed himself as being in general agreement with the principle advocated by the Chairman. He informed the Committee that at the recent Madrid Conference, the Government of India themselves had strongly opposed the new five-letter code regulations which are to come into force from January next, and has been influenced in this matter by their knowledge of the strong views of the commercial community. The Indian (and British) opposition was however overborne by other parties to the Conference. He recognised that in a matter like this Government should previously consult the commercial community so that they might have the benefit of their views before taking any decision threon. He said that this was indeed already the general policy of the Government though he did not remember exactly how far it had been carried out in this instance. He promised that in any case the matter would receive special attention in future.

6. With regard to item No. 6, Sir Thomas observed that the view of the Committee would receive his best consideration.

After the Chairman had thanked Sir Thomas Ryan again for the interview, the meeting terminated.

APPENDIX 23.

Representation of the Chamber on the Board of the Bombay Telephone Company (Vide Annual Report 1932 Page 121).

Letter No. T. 45/33 dated 15th April 1933 from the Director General of Posts & Telegraphs to Chamber

In continuation of this office letter No. T-45/33 dated the 16th March 1933, I am directed to forward herewith copy of a

letter dated the 7th April 1933 from the Bombay Telephone Co. Ltd., for your information, in which it has been reported that Sir Pheroze Sethna is a member of your Chamber and to add that this appears satisfactorily to settle the matter.

Copy of the letter dated the 7th April 1933 from the General Manager and Secretary, Bombay Telephone Co. Ltd., Bombay, to the Deputy Director-General, Telegraphs, New Delhi.

I have the honour to refer to your letter No. T-45/33 dated the 16th March 1933 which I have now placed before my Board.

At the meeting it transpired that the Hon'ble Sir Phiroze Sethna is a member of the Committee of the Indian Merchant's Chamber.

Letter No. 1430 dated 24th May 1933 from Chamber to the department of Industries and Labour Government of India.

I am directed by the Committee of this Chamber to acknowledge receipt of the letter No. T-45/33, dated (Camp) Bombay, the 15th April 1933, together with a copy of a letter dated 7th April, of the Bombay Telephone Company, received from the Deputy Director General, Telegraphs, in regard to the above subject, and in reply to observe as under:

In giving cover to the letter from the General Manager and Secretary of the Bombay Telephone Company, reporting that Sir Phiroze Sethna is a member of the Committee of the Chamber, the Deputy Director General, Telegraphs, adds that "this appears satisfactorily to settle the matter." My Committee desire to make it clear that the matter is not satisfactorily settled.

In their letter No. 194, dated 18th January 1933, my Committee referred to Government the matter in view of the difference of opinion disclosed between themselves and the Bombay Telephone Company regarding the interpretation of Clause 4 of the Agreement dated 30th November 1933 between the said Company and the Secretary of State for India in Council. This Clause,

ny Committee need not emphasise, clearly provides for representation of the Chamber on the Directorate of the Company for all time. The fact that one of the Directors on the Board of the Company incidentally happens to be a member of the Committee of the Chamber does not and cannot ensure the correct interpretation of the said Clause. But it is to be regretted that the letter from the Deputy Director General, Telegraphs, under reply has not decided the issue in question.

My Committee therefore, trust that Government will now be pleased to convey to the Bombay Telephone Company the correct interpretation of the Clause 4, and have it approved officially by the Company. My Committee are anxiously awaiting the reply of Government in the matter.

Letter from the Director General of Posts and Telegraphs to Chamber dated T. 45/33 1st September 1933.

In continuation of this office letter (acknowledgement) No. T-45/33, dated 19th June 1933, I am directed to state that the Bombay Telephone Company Limited were informed as follows :—

(i) that the sentence in clause 4 of the agreement did not appear to confine the stipulation to the Board of Directors first appointed on the creation of the new Company.

(ii) that it would appear that the intention was that a duly qualified member of the Committee of the Indian Merchants' Chamber and Bureau, Bombay, should always be a member of the Board of the Company.

(iii) that the clause provided for a member of the Chamber and not a representative to be on the Board.

(iv) that if the Director who was the representative of the Chamber ceased to be a member of the Committee of the Chamber he *ispo fac o* ceased to be a Director of the Company in the capacity of representative of the Chamber.

2. A copy of the reply received from the Bombay Telephone Company Limited is forwarded herewith for your information, from which it will appear that it is the intention of the

Company to nominate from time to time, when they are able to do so, a member of your Chamber as a Director of the Company. I am to enquire if your chamber is satisfied with this assurance given by the Bombay Telephone Company Limited.

Copy of a letter dated 16th August 1933 from the General Manager & Secretary, Bombay Telephone Co., Ltd., Bombay to the Director-General of Posts & Telegraph.

I am instructed by my Board to reply to your letter No. T-45/33, dated the 19th June 1933, as follows :—

Whatever may be the correct legal interpretation of Clause 4 of the agreement between the Secretary of State for India in Council and my Company dated the 30th March 1922, it has always been the intention of my Board to nominate from time to time a member of the Committee of the Indian Merchants' Chamber as a Director of the Company.

As you are aware, the Board originally nominated Sir Phiroze Sethna in this behalf. It would seem that the Indian Merchants' Chamber have not completely realised the dilemma in which the Directors would be placed if a member of the Committee of the Chamber having thus been nominated by the Board as a Director of the Company ceased to be a member of the Committee. He would not *ipso facto* thereupon cease to be a Director of the Company; his term of office would continue until he became due to retire at an Annual General Meeting of the Company in accordance with the provisions of the Articles of Association (Article 129, Article 133) copy of which is sent herewith for reference. He would then still remain eligible for re-election.

The matter is also complicated by rule 26 of the Rules and Regulations of the Indian Merchants' Chamber which provides that :—

> "A member or members of the Chamber representing it in the Bombay Legislative Council, the Bombay Port Trust or the like public bodies will be ex-officio members of the Committee if they are not already members of the same."

It would therefore seem that a duly qualified member of the Committee of the Indian Merchants' Chamber having once been nominated by the Board of the Company as a Director of the Company, so long as he continues to be a director continues also to be a member of the Committee of the Indian Merchants' Chamber.

In all the circumstances my Directors do not see how they are in a position to do more than say that it is their intention to nominate from time to time, when they are able to do so, a member of the Committee of the Indian Merchants' Chamber as a Director of the Company.

Letter No. 2491 *dated 3rd October* 1933 *from Chamber to the Director General.*

I am directed by the Committee of this Chamber to acknowledge receipt of your letter No. T-45/33, dated the 1st September, 1933, together with its enclosure, and, in reply, to observe as follows :

My Committee note, with thanks, that in communicating four specific points, in interpreting Clause 4 of the Agreement between the Secretary of State for India and the Bombay Telephone Company, to the latter, you have endorsed their contention in regard to nomination of a member of the Chamber on the Board of Directors of the Bombay Telephone Company. My Committee, however, regret to observe from the reply of the Bombay Telephone Company, as forwarded by you with your letter under reference, that the said Company is not yet prepared to accept your official interpretation of Clause 4, and sticks to its original untenable position. I am, therefore, directed to convey to you the strong disapproval of my Committee of the contents of the letter of the Bombay Telephone Company.

It appears from this letter that the Telephone Company is entitled to continue a member of the Committee of the Indian Merchants' Chamber as a Director of the Company, even after such a member has ceased to be a member of the Committee and he is entitled to offer himself for re-election. My Committee submit that such an interpretation fails to carry out the spirit of

Clause 4 of the said Agreement. This will be apparent from the fact that a member of the Committee of the Chamber once having been appointed a Director would, according to the interpretation of the Telephone Company, continue to be a Director of the Telephone Company, although he subsequently ceases to be a member of the Chamber, with the result that a non-member would represent the Chamber on the Directorate of the Telephone Company.

As regards Rule 26 of the Chamber, referred to in the said letter, I am directed to inform you that according to this Rule, the Telephone Company is not considered a public body by my Chamber, and, therefore, a Director of the Telephone Company, as representing the Chamber, is not entitled to be an ex-officio member of the Committee, as observed by the Telephone Company.

In the circumstances, my Committee would request you to see that the Telephone Company abides by the Provision of Clause 4 of the Agreement, according to the interpretation put by them and approved by you.

My Committee would like to add that if the Articles of Association of the Telephone Company do not make any provision for vacating the office of a Director in a contingency like the present, such Articles should be amended, so as to provide that in the event of the representative of the Chamber ceasing to be a member of the Committee of the Chamber, he also *ipso facto* vacates his office as a Director, and thereupon a member from among the Committee of my Chamber shall be nominated as the represenstative of the Chamber on the Directorate of the Telephone Company.

In order to ensure the correct interpretation indicated by my Committee and approved by you, the present difficulty mentioned by the Telephone Company may very well be overcome by re-appointing Sir Phiroze Sethna as a Director of the Board of the Telephone Company, as he is already a member of the Committtce of the Chamber.

II. FINANCE, TARIFF AND TAXATION.

APPENDIX 24.

Budget of the Government of India 1933-34.

Letter No. 765 dated 8th March from Chamber to Government of India, Finance Department.

The Committee of this Chamber have considered the Budget proposals of the Government of India for the year 1933-34, as presented by the Hon'ble the Finance Member to the Legislative Assembly on the 28th February, and I am directed to address Government on the same as follows :

Whilst my Committee note that the Budget shows a small surplus, they cannot but point out that it is directly the result of the country being called upon to bear, for another year at least, the heavy bill of taxation which was imposed as an emergency measure in the Supplementary Budget of 1931. My Committee are aware of the fact that the difficulties which created the emergency of September 1931 have not all yet disappeared. At the same time, they feel strongly that the balancing of the Government of India Budget could have been brought about by a whole hearted attempt on the part of Government to carry out effective retrenchment, both in the Civil and Military departments, which would make possible the grant of some relief to the overburdened taxpayer of the country. The Finance Members' claim that Government have given effect to practically 96 per cent. of the recommendations made by the various Retrenchment Sub-Committees, cannot carry conviction to the people of this country that everything possible has been done in the way of scaling down Governments expenditure to the level justified by the true economic conditions prevalent in the country. It is now sufficiently well-known that the terms of reference of the Retrenchment Sub-Committees were so restricted to a narrow sphere, debarring all possibilities of reduction in expenditure that could be obtained by a change of policy,

and that economies suggested by the Retrenchment sub-Committee had necessarily to be of a trivial character compared with the potentialities of retrenchment in expenditure in terms of the true necessities of the situation.

The reduction of the Military expenditure to the estimated figure of Rs. 46,20 lakhs is, in the opinion of my Committee, most disappointing. My Committee fail to understand how the possible reduction in Military expenditure as a result of the fall in commodity prices since 1928-29 can result in a saving on the whole Army budget of only about Rs. 1 crore. If only the item of Stores and other materials purchased by the Army Department during any one Budget year is considered the savings from the decline in prices should be much more substantial than the figure mentioned by the Finance Member. Government cannot, at this stage, be unaware of the unanimous opinion of the country, that the enormous drain made by the Army expenditure on the taxable Central Revenues of the country has been the source of great disappointment against the present Government of the country. The maintenance of the Army expenditure at the present figure of over Rs. 46 crores effectively precludes the possibility of developing social and beneficent services for the amelioration of the general economic conditions in the country, and naturally expose Government to the charge of being medieval in its conception of what a civilised and modern Government should be. My Committee are strongly of the opinion that it is high time for Government now to change their policy of maintaining the Army in India on the footing of constant preparedness for war. This policy, at the present juncture in particular, can hardly be harmonised with the concerted attempt that is being made to reach agreement amongst the important countries of the world for drastic disarmament. My Committee believe that the Army Budget can readily stand a further immediate reduction of Rs. 5 crores at least, and that the Finance Member definitely owes it to the country to explain in greater detail how the saving on the Army expenditure as a result of the drop in commodity prices has been only Rs. 1 crores. My Committee would also, like to be enlightened if the cut in the salaries of the Army Officers and Indian troops applies at present to the British troops in India.

The decision taken by Government to restore half the cut in the salaries of Government servants is, to say the least, unfair to the general taxpayer of the country, whose imperative claims to relief from emergency taxation have been allowed to be superseded by Government servants who have been admittedly paid on a higher scale than is justified by the economic conditions of the country. The principal idea underlying the Budget proposals appears to my Committee to be the anxiety on the part of the Finance Member to continue undisturbed for a further period of 12 months the conditions prevailing during the previous 12 months. It is in consonance with this idea that the Finance Member's proposals do not show any radical change. My Committee, therefore, fail to reconcile this anxiety of his with the undue haste with which Government have yielded to the pressure of their servants in this country. In the opinion of my Committee, Government ought to have taken the opportunity given to them by the present difficult conditions to scale down permanently the very extravagant terms and conditions of remunerating their servants, instead of which, by their hasty action of restoring half the cut, they have only confirmed the popular conviction that the interests of the taxpayer do not weigh with them so much as the continued enjoyment of the privileged position occupied by their servants under the present system of administration. "The justification of the cut," said the Finance Member in September 1931, "is in the need for a common sacrifice in a national emergency." Where is the commonness of the sacrifice when, for instance, one of the poorest of the poor taxpayers, the man who lives on an income of bare subsistence, has been given no relief in common at all ? It is contrary to all principles of Governmental policy that in giving relief from an emergency burden the State should be so partial as to give precedence to its own servants, in this case the all too well paid, as against the miserable wage earner of about Rs. 80 a month.

My Committee cannot but welcome the very unexpected change brought about in the gilt-edged market in India as a result of which Government have been enabled to convert a substantial portion of their floating and short-dated obligations into long term loans. My Committee consider the public response to the last conversion loan as not only satisfactory but as encouraging evi.

dence of the appreciation on the part of the people of the changed conditions brought about in the investment market as a result of the continued cheapness of money. My Committee trust that Government will take full advantage of the present situation and reduce substantially the burden of interest charges on the Public Debt of India. However, my Committee cannot disguise their feeling that the booming conditions in the gilt-edged market, consequent upon the plethora of money, are a definite proof of the low ebb to which the trade and industry of the country have receded. The professed anxiety of the Government of India to revive the trade and industry of the country cannot be fulfilled effectively so long as Government do not radically change their commercial and industrial policy. In this connection, my committee are sorely disappointed at the hesitancy on the part of Government to take immediate measures to prevent the dumping of foreign goods in India at prices which have been admitted to be impossible to cover the cost of production under any reasonable conditions. The unanimity of Indian and European commercial opinion on this question ought, at least, to move Government to secure adequate powers to assist our struggling industries against the most unfair inroads of foreign competition as has been experienced for some time past in the case of Japanese goods. Consistent also with the general loan programme of Government my Committee would urge Government to take advantage of the present cheapness of money to embark on productive capital programme to support our languishing industries and to stimulate fresh enterprise.

The Finance Member's proposal to increase the import duty on artificial silk and mixtures will, certainly be welcomed in the present dire stage of the cotton textile industry in India. My Committee, however, must point out that such half-hearted measures can only keep this major industry struggling from hand-to-mouth. Even with all the preoccupations of Government, in justice to the unprecedented situation in which the cotton textile Industry had been placed recently, Government would only have done their duty in giving more immediate consideration to the recommendations of the Tariff Board than they have hitherto done.

The decision taken by the Government of India to re-impose the stamp duty on cheques is, in the opinion of my Committee,

not only retrograde but entirely inconsistent with their oft-repeated professions to do everything possible for the development of Banking in India. The unfortunate oversight of the Finance Member in his reference to the Banking Enquiry Committee to support this action of his has been set right in the Legislative Assembly since his Budget speech ; as a matter of fact the Banking Committee in their Report almost unanimously favoured the stamp duty not being re-imposed. It is conceivable, however, that since the removal of the duty the banks find that comparatively very small amounts are being withdrawn by cheques and in the ordinary course this may not suit them. Should this be one of the reasons inspiring the Finance Member's decision to re-impose the duty, my Committee respectfully suggest that it is a definite setback to the increasing banking habit of the people and to that extent should on no account find favour with the Government of India. Where the average income of the middle and the lower middle classes is as low as it is in India, if one is to expect the banking habit to spread in the country, the tendency to draw cheques for smaller amounts than of four digits or even three digits must not only be put up with but should also be encouraged. The average pay of a clerk in Bombay, Karachi or Calcutta is not more than Rs. 100 per mensem. A clerk of that standing is however a literate person and if he banks his monthly income he can only draw cheques for Rs. 30 and 40 at the most.

My Committee therefore feel that if it is the aim of the Government of India to encourage the banking habit of the people of the country they should not proceed further with the proposal to re-impose the stamp duty. It has been mentioned in the Budget speech that the re-imposition of the duty will benefit Provincial Governments. The total benefit however does not exceed Rs. 7 lakhs per year and it is a matter for consideration for the Government of India that whilst they were prepared to spend not less than Rs. 15 lakhs on the Banking Enquiry Committee two years ago they now propose to take a definite step discouraging the banking habit for an amount which can be said to be comparatively small when distributed among the various provinces in India. My Committee therefore hope that the Governor General in Council will reconsider the position and disapprove this item of taxation.

My Committee have carefully considered the various considerations set forth by the Finance Member in support of the Government policy of permitting unrestricted exports of gold from this country. The self-complacency, with which he appears to look at the continued drain of gold from India, is not difficult to understand in view of the rather anomalous position which a non-Indian and non-responsible Finance Member occupies as the custodian of India's financial and economic interests. My Committee have often in the past pointed out the evident conflict of interests between Britain and India, which has prompted the financial, currency and exchange policy of the Government in this country to the entire prejudice of the economic well-being of the 350 millions of Indian people. My Committee do strongly feel that, whilst the Finance Member has thought it necessary in his Budget speech to enter into a detailed examination of the question, the picture which he has tried to portray of the economic conditions in India arising out of the exports of gold has been manifestly one-sided and largely unreal. He could, at least, have considered it in the fitness of things to acknowledge, what has now been universally admitted in Britain by all financial authorities, that Indias gold came to the rescue of the English Pound Sterling, though he made rather a specious appeal to tolerate exports of gold from the country because they might increase the purchasing power of other countries to our benefit. My Committee do recognise that the export of gold to the staggering amount of about Rs. 114 crores has undoubtedly made it possible for Government to purchase a substantial amount of Sterling offering in the market. That these large proceeds should leave, after meeting the recurring Home charges, a fairly large balance to add to the Currency Reserve or to meet our matured obligations in London, is only a matter of course. My Committee incidentally note that the Finance Member now admits that without the adventitous aid of gold exports Government would have found themselves confronted with the prospect of supplying Sterling to the market to pay for our unfavourable balance of international indebtedness, which means, in other words, that the decision of the Secretary of State for India, taken in September 1931, in defiance of the public opinion of this country and over the heads of the Government of India, to link the Rupee to 18d. Sterling, would have been found to

be impossible to maintain without India being drained continuously of her gold holdings.

My Committee are not surprised that, in support of what is evidently an indefensible policy, the Finance Member has very largely to be content with mere assertions, instead of finding facts in proof of this policy. For instance, he has ventured the opinion in para 26 of his speech, that "We already have our proportion of gold in our Currency Reserve." My Committee are not aware if this opinion is a statement of the considered policy on the part of the Government of India in regard to the percentage of gold backing for our currency.

The Finance Member points to two possible alternatives in the event of Government having acted otherwise than they had done : (1) Government would have had to leave the Rupee to its own level, and (2) Government would have had to pass a law putting a rigid restriction on all exchange transactions, which would have caused some interference with the liberty of private individuals. My Committee entirely agree with the Finance Member as to the first consequence if Gold exports had not been permitted. The abandonment of the Rupee to find its own level was foreshadowed by my Committee as far back indeed as 1931 without, of course the aid which unexpectedly came through the gold exports. As to the second consequence, my Committee cannot but feel that a Government, and a non-responsible Government, which, in more than one direction, has not hesitated to encroach upon the liberties of private individuals, can hardly make a show of determining their policy in regard to the Gold exports, merely because of their anxiety not to interfere with the liberty of private individuals. A modern civilised Government is expected to intervene, on occasions like the one created by the unrestricted exports of gold and take such action as is demanded by the larger interests of the community as against the personal interests of private individuals.

The Finance Member's contention that the exports of gold simply mean the exchange of gold held as a reserve for another form of reserve, can hardly stand any detailed scrutiny. The statistics given by the Finance Member in regard to increased

sales of Postal Cash Certificates and the augmentation of Postal Savings Banks deposits, cannot be said to be entirely the result of the funds set free by the sales of gold. My Committee believe that the prolonged trade depression and the unprecedented drop in prices, which have severely curtailed the usual demand for money to finance the movement of crops and trade, are to no small extent responsible in increasing the figures of Postal Cash Certificates and Savings Banks deposits. My Committee are informed that several upcountry Shroffs and traders, who use to do money lending business, have recently been investing their money in these two directions by employing different names to meet the stringent regulations regarding the maximum amounts that can be invested in either the Cash Certificate or in Savings Banks by any one individual. Unless, therefore, the Finance Member is in a position to produce detailed statistics to disprove investments of this character, my Committee cannot readily accept his contention that even the comparatively small amounts of new investments in Postal Cash Certificates and the Postal Savings Banks are entirely the result of these gold exports. The Finance Member, in the opinion of my Committee, has also failed to produce evidence as to how the bulk of the proceeds of these gold exports have been employed. The plausible theory, which he has evolved, that gold as a reserve for the rainy day is being employed in the purchase of consumable commodities like cotton textiles, is in itself a proof positive of the depressed ecomomic state of the average Indian who, instead of being benefited by the exchange of an unremunerative reserve like gold with a productive reserve, has been driven to part with it to buy the daily necessities of life. If the Finance Member can consider such a state of affairs as ground for satisfaction with the economic condition of the country, my Committee must plainly state that, in their opinion what he considers to be a matter of satisfaction is, to them, a matter of very grave anxiety, if not of resentment. The Finance Member appears to forget that the standard of living in this country is comparatively much lower than in Western countries, and there is no margin between starvation and the maintenance of the bare necessities of life for an average Indian. If his bare necessities can only be purchased by parting with the small capital reserve held in the form of gold

surely the conditions of life obtained by such a process cannot, by any stretch of imagination, be considered to be a matter of India being comparatively better off than the Western countries.

The enormous amount of gold which has left this country does not appear to have turned a single hair of the Finance Member who finds consolation in the cold statistics of India still possessing gold to the same extent as she did in April 1926. A Finance Member who is accustomed to handle economic problems hardly needs to be reminded that the value of economist's contribution is considerably reduced as soon as he loses the relative aspects of the problems he discusses. The gold holdings of India before the commencement of these exports in October 1931 worked to a trivial figure of a little more than Rs. 24 per head of population in India. The actual amount of gold in Great Britain may be much smaller than what is held in India by the country as a whole, but how can the Finance Member forget the British investors hold, even at present lower prices and after allowing for the depreciation of Pound Sterling, productive securities in the different countries of the world of the gold value of over 2,000 million. Will he produce evidence of a comparable nature in the case of India to make us accept his contention that we can without any anxiety go on losing our gold.

My Committee are also surprised at his silence in regard to the reaction of the Government on the possibility of the early inauguration of a strong Reserve Bank in India. It is possible that the statement made in para 28, viz. "the times in which we live are so uncertain and abnormal that no one could venture to lay down that a particular policy must be for ever infallible; we must be guided by events", suggests that wisdom may soon dawn upon the Government of India, resulting ia a definite change of policy in regard to the unrestricted exports of gold from this country. In conclusion, my Committee would reiterate their oft-expressed conviction that in regard to the gold exports Government have not been actuated by a well-thought-out policy designed to promote the best economic interests of this country uninfluenced by considerations other than those of the starving millions of this country.

APPENDIX 25.

The Railway Budget.

Letter No. 766 dated 8th March from Chamber to the Secretary, Government of India, Commerce Department.

The Committee of the Indian Merchants' Chamber have been considering the Railway Budget, as presented by Hon'ble the Commerce Member to the Legislative Assembly on the 16th February, 1933. They need hardly say that, in common with the rest of the country and the Legislative Assembly, they deplore the tale of woe which has had to be repeated by Hon'ble the Commerce Member again in regard to the Railway Budget of the ensuing year. The sharp increase in the deficit in the revised estimates for the current year, even in comparison with the Budget estimates for the same period, makes the prospect for the ensuing year appear to be even more alarming than that pointed by the Hon'ble Member in Charge of the Railways. The views of my Committee regarding the necessity for stringent economy in the several departments of the Railway Board and in the various railway lines, both State-managed and Company-managed, do not require to be repeated here. I am accordingly desired by my Committee to invite your attention particularly to the protests which they have lodged in the past, specially regarding the hesitation of the Government of of India to Indianise the Railway Board and the Superior Service and to reduce the top-heavy staff in the Railway Administrations in India. My Committee feel that at a juncture like the present one, when the railways have been showing recurrent and increasing deficits over a period of years, their plea for Indianisation of Superior Services has even more an economic than a racial aspect.

My Committee particularly desire to draw the attention of Government to some of the factors which have developed lately and threaten to make the Railways of India a non-paying asset of the taxpayer in India, in marked contrast with the position of the same in the past decade, as indicated by Hon'ble the Commerce Member in para 7 of his speech. My Committee do not overlook that, for part of the deficit during the last few years,

the trade depression in India may be responsible, but they cannot help saying that the failure of the Railway Board, either to lay down or to abide by a definite policy, regarding the transport of passengers and goods in India, must also be held responsible for this unfortunate result.

Government must certainly be aware of Motor Bus competition with the Railways, which has increasingly developed during the last few years. On this question, Government themselves have felt it necessary to appoint a Committee of Experts, the report of which has only very recently been published. My Committee have not yet been able to get a copy of this Report, and are, therefore, not in a position to say anything at present on this, but they will, when the Report is available to them, offer their views on the more fundamental questions of policy discussed therein. In the meantime, my Committee trust that no commitments will be made by Government in any way in the matter of the development of Road transport.

There have been lately several developments, which have tended to almost deteriorate the value of the Railways as an asset of the Indian taxpayer, thereby making part of the Railways almost a dead-weight on the taxpayer. Government, for instance cannot be unaware of the fact that traffic from Gujarat to Bombay is being taken part of the way in railway trucks and the rest in country crafts, either from Surat or from Broach or from any other so-called port on that coast. My Committee wish to enquire what is the policy of Government in this connection. They would naturally like the public to have the benefit of the lowest freight rates at which the cultivators' produce can be transported. But at the same time, they feel that the Railways of India, being the property of the taxpayer, have to be managed so that, whilst giving the public the largest benefit as a public carrier, the investor should also get some return on the capital, and the investor in this case is virtually the same as the taxpayer in the ultimate analysis. In any case, my Committee have no doubt that the Government of India would themselves agree that the Railway Board should devise a policy by which such railway lines, which are assailable by lower freight attractions of country crafts or road carriers, may not prove a dead-weight on the Railway machine of India. My

Committee, therefore, wish to press upon Government to decide and declare their policy in view of this development, and to reconcile the requirements of the general econnomy of the country and its development with those of the Hon'ble Finance Member, as custodian of her finance.

My Committee feel that they should, at this juncture, also draw the attention of Government to another aspect of the revised estimates of the Current year. The statistics available show that during the current year (1932-33) the aggregate volume of production in India has, on the whole, not been quantitatively smaller than in the previous years. The industrial production has been 18 per cent. more than in 1929, while the quantities of exports of Indian produce in many cases show similar excess. Why is it then that the Railways of India have apparently carried less than in the previous years ?

Government must have been aware that, when they put up the railway freight-rates during the last two years, the Committee of this Chamber had protested against the same. They feel particularly that, with the lower prices prevalent during the last two years, the incidence of increased railway freights on commodities must have worked out to some prohibitive percentage. They would, therefore, like to be enlightened whether Government have convinced themselves that their policy of high freight-rates and fares has been beneficial to the Railways of India. My Committee feel, and their opinion in this connection has been confirmed from many quarters, that if railway freights could have been lowered, perhaps the larger volume of traffic might have made up for the lower freight charges, and at the same time benefitted the producer. In this connection, I may draw the attention of Government to the fact that, faced with a similar situation, the Egyptian Government recently reduced railway freight by 35 per cent. on cotton. My Committee also understand that freight rates for internal transport in America have been recently reduced. My Committee wish to enquire if the Railway Board have any information which convinced them to the contrary and justifies them in keeping up the high fares andf reight charges, even though commodity prices have been, during the last few months at least, almost the lowest on record.

APPENDIX 26

Reserve Bank Bill.

Letter No. 2829 dated 8th November 1933 from Chamber to Government of India, Finance Department.

I am directed by the Committee of this Chamber to submit hereby their views on the Reserve Bank of India Bill, 1933 :

In 1927-28, when the Reserve Bank Bill was being discussed in the Legislative Assembly, a substantial body of opinion, which was also shared by my Committee, was for the Reserve Bank being a State Bank, and the Government of India had, after much deliberation in the Joint Select Committee, accepted the principle of a State Bank. The fundamental idea underlying this view was that the Reserve Bank of a country should be a *national* institution, controlled by the nationals themselves and in the best interests of the country. Even today, there is a strong body of opinion in the country in favour of the Reserve Bank being a State Bank in order to secure that national character of the Institution which is so very vital to the interests of the country. Unfortunately, since the publication of the White Paper on Constitutional Reforms grave apprehensions are being entertained in various quarters as regards the advisability of making the Reserve Bank a State Bank, in view of the retrograde proposals put forward by the British Government in the White Paper. Under such circumstances, my Committee feel that the fundamental position that they have in view in regard to the national character of the Reserve Bank can be secured through its being a Shareholders Bank, provided the following conditions are accepted by Government :—

(1) The first condition, my Committee suggest, should be that the capital of the Bank should be held in such a manner that not less than 75 per cent would be at any time in the hands of natural born Indians and /or companies formed and registered under the Indian Companies Act, 1913, not less than 75 per cent. of whose capital shall be held by natural-born Indians and not less than three-fourths of the Directors are natural-born Indians. They would further suggest that Government should have the right to buy all the shares of the Bank at any time during its existence at a fair valuation to be fixed by independent arbitration.

(2) The second condition is that not less than three-fourths of the total number of Directors, with voting power, should be natural-born Indians. In this connection, my Committee feel that election of Directors should be above suspicion, because the Reserve Bank will be the final arbiter of the currency and credit policy of the country and its Directorate must therefore command the confidence and trust of the people. They would therefore suggest that rules similar to those prevalent regarding malpractices in elections for the Legislative Councils and the Assembly should be framed re: election of the Directors of the Bank.

(3) The third condition is that the four Directors proposed to be nominated by the Governor-General in Council should be nominated on the advice of the Federal Government under the new Constitution.

(4) The fourth condition is that there should be three more Directors to represent trade, commerce and industry of the country to be elected by the Indian commercial community at Bombay, Madras and Calcutta. With regard to Bombay, the Indian Merchants' Chamber, representing the Indian commercial community, should form the electorate for the purpose.

(5) With regard to the appointment of the Governor and Deputy Governor /Governors, my Committee are strongly of opinion that the personnel of the nanagement of the Bank should be entirely Indian. If however this is not feasible for some transitional period, they would suggest that the Deputy Governor or Governors should be natural-born Indians. The Governor and the Deputy Governor /Governors of the Bank should be appointed by the Board subject to the approval of the Governor General in Council and the Governor General as advised by the Federal Government under the new Constitution. My Committee are further of opinion that officials and Government pensioners should not be appointed to these posts.

The first Central Board should be constituted by the Governor General in Council and should hold office for one year after which the entire Board should be reconstituted. The first eight Directors should be oppointed by the Governor General in Council.

My Committee cannot accept the minimum holding of Rs. 35 crores as a sufficient or satisfactory Reserve of Gold. It is true that the Hilton-Young Commission had laid down the limit of Rs. 30 crores, but this was because the total amount of gold in the Paper Currency Reserve and the Gold Standard Reserve, when they have reported, was also exactly Rs. 30. It appears from the present figures of the Paper Currency and Gold Standard Reserves there are Rs. 44½ crores of gold in the same (on 31st July last). It follows, therefore, that it would have been better if the minimum percentage of gold holding against the note issue had been fixed taking into consideration all these figures. All the countries in the world, even if they are off the Gold Standard, are very keen on having big reserves of gold, and their is no reason why Indian alone should have the doubtful distinction of being a country which would be satisfied with a minimum quantity of gold, which, taking the present note issue of Rs. 179 crores, makes barely 20 percent. of the notes outstanding. My committees therefore, strongly urge that it should be specifically provided in the Bill that the minimum gold holding against the note issue at any time should be Rs. 44 crores or 20 per cent of the whole note issue, whichever is greater.

As regards the business of the Reserve Bank, my Committee regret to note that only scheduled banks have been given certain privileges, while the interests of indigenous Shroffs and private bankers have been entirely ignored. My committee wish to emphasise the necessity of linking the institution of Indian Shroffs with the Reserve Bank. They hope that Government would realise the important banking service that is being rendered by the indigenous Shroffs and private bankers, especially in the mofussil where there is a lack of organised banking facilities.

With regard to the obligation of the Reserve Bank to buy and sell Sterling to the scheduled Bank and other persons, my Committee apprehend that this is an obligation which the Bank may not be able to fulfil in the years to come, particularly looking to the trade figures. My Committee have no doubt that even Government must have, by this time, realised that it is only with

the help of the gold exports that they have been able to maintain the 18d. ratio. It would be risky to depend upon the assumption that gold exports would continue, which would help the authorities to maintain the present ratio. Under the circumstances, it would be extremely difficult for the Reserve Bank to fulfil the obligation to buy and sell Sterling. Apart from this, the over-whelming objection is against the continuation of the 18d. sterling ratio. My Committee had strongly protested against linking the Rupee with Sterling in September 1931, disregarding the wishes of the country. They would take this opportunity of again urging the delinking of the Rupee from Sterling and devaluing it, as it has been found by bitter experience that an over-valued Rupee has brought ruin on the trade, industries and agriculture of the country.

The agreement between the Imperial Bank and The Reserve Bank, as proposed in the Bill, is, in the opinion of my Committee, unduly generous, and may well result in impeding the progress and development of joint-stock banking in India. My Committee regret that neither Government nor the Imperial Bank have placed before the public adequate data to form an independent opinion as to the reasonableness or sufficiency of the terms that may be offered to the Imperial Bank. We are not told, for instance, what will be the amount of commission payable to the Imperial Bank on the turnover of Government account and whether such commission will not fully cover the cost of maintaining such unremunerative branches of the Imperial Bank as are solely run for Government account. In any event my Committee are opposed to entering into any agreement for such a long period as tewnty-five years, and suggest that the agreement in the first instance, should be for a period of ten years only, at the end of which the question of entrusting the agency work of the Reserve Bank should be reviewed. My Committee also cannot support the proposal for giving deposits to Imperial Bank free of interest or at concession rates.

My Committee are also apprehensive of the possibility of a powerful bank like the Imperial Bank, obstructing or impeding the successful operation of the Reserve Bank, and to insure against that contingency it is necessary to provide in the agreement

that the Imperial Bank shall loyally co-operate with the Reserve Bank in regulating credit conditions in the country.

APPENDIX 27

Recommendations of the Reorganisation Committee

Letter No. 616 dated 23rd February 1933 from Chamber to the Government of Bombay.

I am directed by the Committee of this Chamber to send to you hereby their views on the Report of the Bombay Re-Organisation Committee, and the action proposed to be taken by Government thereon.

At the outset, my Committee, while noting the labours of the Re-Organisation Committee in their desire to "effect in each Department the maximum possible reduction of expenditure compatible with the minimum probable loss of efficiency", (Vide page 10 of the Report), deplore the exclusion of the question of All India Service-men, which undoubtedly has a very important bearing on the finance of the Presidency. While recognising that the question of All India service is not a provincial one, my Committee consider that the time has now come, when the Provinces must make their views felt with regard to the question of setting up a new basis altogether for the salaries of All India Services, which, constituted as they are at present, are an intolerable burden on the taxpayers and finances of the Provinces. In the new constitutional arrangement, the Government of Bombay, my Committee trust, would insist on getting a heavy reduction in those salaries, as it is they who have to foot the bill of such All India Service as may come to be employed by them.

My Committee have carefully considered the various recommendations of the Thomas Committee's Report, aiming at reorganisation in the entire administrative machinery and resulting in various economies pointed out therein. The Thomas Committee recommend an ultimate saving of Rs. 179 lakhs. They have also suggested an additional taxation of Rs. 19 lakhs, which

in total would show the betterment of Rs. 198 lakhs in the financial position of the Presidency. They have also made a number of other proposals. The ultimate effect of the full acceptance of all their proposals would, according to their calculation, exceed Rs. 2 crores.

My Committee do not desire to offer detailed criticism on the various recommendations ; some recommendations such as the abolition of the Industries Department and of educational institutions, such as the Sydenham College of Commerce, the Poona Agricultural College and the Bombay School of Art and recommendations regarding the Co-operative Movement in the Presidency, meet with their entire disapproval. All the same, the Report contains useful recommendations. My Committee have studied the statement of action taken on the recommendations contained in the Report of the Re-Organisation Committee, recently issued by the Government of Bombay, and must say that they are dissatisfied with it. The statement shows how lightly Government have taken the various recommendations. Out of the economies of nearly Rs. 179 lakhs (exclusive of new taxation) recommended by the Thomas Committee, it is sad to note that Government have decided to give effect to the same in the following proportion :

For 1933-34 (excluding retrenchment concessions and leave pay)	Rs. 18,20,100
Ultimate	Rs. 27,99,100

Out of the Rs. 18 lakhs odd, which would be the immediate betterment in the financial position for 1933-34, the new revenue raised in the form of increase in tolls of Provincial roads, enhanced charge for copies and increase in registration fees, increase in the fees of Government educational institutions, etc., comes to the figure of Rs. 8,70,900. Of the ultimate betterment of Rs. 27 lakhs odd, Rs. 10,41,700 represent the yield from the above mentioned new revenue. It will be seen from these comparative figures that only Rs. 9,49,200 out of Rs. 18 lakhs odd have been the economies effected for the year 1933-34 due to the acceptance of the few recommendations of the Thomas Committee and the rest represents the added taxation to the already overburdened taxpayers of the Presidency.

My Committee think that Government, in view of the grave financial position, ought to have given immediate effect to a greater number of the Thomas Committee's recommendations, and thus secured a far greater measure of economies to ameliorate the financial position of the Presidency.

As regards the scale of salaries of Government servants, my Committee would, in the first place, reiterate their conviction that the same—particularly of the superior and higher grades—are entirely out of proportion, both in regard to the proper and efficient functioning of Government machinery and compared with those obtaining in other civilised countries, taking into consideration the fundamental difference in standards of living and other relevant factors. This criticism is amply borne out by the following observation of the Thomas Committee:

> "We believe that an undue inflation of the basic pay of the All India Service is reflected right through every branch of the Administration from the superior permanent services down to the subordinate establishments with the result that an artificially high standard of living has been created. (Vide page 40 of the Report)

The Hon'ble Sir Gulam Husain Hidayatullah, Finance Member, in his speech introducing the Budget estimates for 1933-34 in the Legislative Council on Saturday, the 18th February, observed as follows :—

> "Increases in pay were given during the war in the form of war allowances and at the beginning of the Reforms period were consolidated in definite increases in permanent pay with the result that the establishment pay bill of the Presidency was in 1931-32 50% higher than in 1915-16 .....Our establishment pay bill is however nearly two crores more than it was before the war and it is about a quarter of a crore more than in the early years of the Reform period."

These two observations, coming as they do, from the Re-Organisation Committee and the Finance Member, confirm the oft-repeated contention that the cost of civil administration of this Presidency is top-heavy.

My Committee had noted with regret the limitation placed on the scope of enquiry of the Re-Organisation Committee. Even then they have suggested a new scale of salaries which should be re-examined and lowered and made applicable to all Government servants now in service also and not to new recruits only.

The Government of Bombay, in consonance with the decision of the Central Government, introduced a cut of 10% in the salaries of their servants to meet the financial stringency last year. The financial stringency instead of showing signs of diminution tends to deepen. In such circumstances, my Committee have viewed with alarm the proposal to reduce the cut to 5%. They are emphatically of opinion that this cut of 10% not only should not be restored nor reduced, but that Government should drastically revise the 'unduly inflated' scales of salaries of their servants, superior, higher as well as subordinate,—to such a level that the Civil Administration may cease to prove a burden on the poor taxpayers of the Presidency.

My Committee would also like to draw the attention of His Excellency the Governor to the question of expenditure incurred on his Staff and Household. They understand that this question was first referred to the Re-Organisation Committee, but was subsequently withdrawn from the terms of reference on the understanding that the same was engaging the personal attention of His Excellency and was under discussion by him with the Governors of other Provinces. They would be glad to know what progress has been made in that direction. They are of the opinion that the Head of the Province may well give a lead in the matter of economies by effecting such reductions in the Staff and Household expenditure as may be deemed necessary in the present financial stringency of the Presidency.

My Committee take this opportunity of sounding a note of warning that the taxable capacity of the people of this Presidency has not only been reached, but in some respects has been transgressed beyond their bearing limits. Further taxation under such circumstances must be ruled out of consideration. They are of opinion that time has now come to consider ways and means by which some relief may be accorded to the overburdened people of the Presidency.

The effective course, under present circumstances, left to Government to set their financial house in order and to assure a fairly satisfactory position in the future lies, in the opinion of my Committee, firstly in giving immediate effect to various recommendations of the Thomas Committee in consonance with Commercial and general public opinion, and thus bring about a much greater measure of economy than that adopted by Government, namely, Rs. 18 lakhs odd, and secondly, in drastically revising the scales of salaries of Government servants, superior, higher and subordinate.

Letter No. 8300—B dated 8th March 1933 from Government to Chamber.

With reference to your letter No. 616 dated 23rd/24th February 1933 I am desired to assure the Indian Merchants' Chamber that Government will give due weight to the views expressed therein.

APPENDIX 28.

Joint protest against one-sided Anglo-Japanese Trade Negotiations.

Letter No. 920/97 dated 31st May 1933 from the Millowners Association to Chamber.

I am desired by the Chairman to thank you for agreeing to allow the name of your Chamber to be included in the representation to be sent to the proper authorities in connection with the reported tariff negotiations between Japan and Great Britain. The Chairman has sent a telegram to-day—copy enclosed herewith —to the Private Secretary to His Excellency the Viceroy, the Commerce Member and the Secretary of State for India.

Copy of telegram addressed by Mr. H. P. Mody on behalf of various associations to the Secretary of State for India, Private Secretary to His Excellency the Vicerey and the Commerce Member of the Government of India :—

Millowners association Bombay Ahmedabad and Baroda, Indian Merchants Chamber Bombay, Indian Cement Manufacturers Association Upper India, Northern India, Southern India, and United Provinces, Chambers of Commerce Delhi, Factory owners Federation Bengal, Hosiery Manufacturers Association, Indian Chamber of Commerce Calcutta and Bengal National Chamber desire me strongly to protest against conditions which Japanese Industrialists are reported laying down as essential to trade agreement with British Empire. Associations concerned emphatically hold no Trade arrangements should even be discussed without participation of Indian commercial and industrial interests and that meanwhile immediate and effective protection must be afforded to Indian industries.

H. P. MODY.

APPENDIX 29.

Protest against the reported Anglo-Japanese Negotiations as affecting Indian-Fiscal Autonomy.

Copy of a telegram dated 1st *June* 1933 *from Chamber to the Secretary of State for India and to the Government of India, Commerce Department.*

"Committee Indian Merchants' Chamber feel seriously concerned over reported fiscal negotiations between Britain on behalf of Empire and Japan. Any fiscal arrangement that His Majesty's Government may as a reult make would insofar as it affects India be a violation of the Fiscal Autonomy Convention and as such in breach even of the existing Constitution. If India's interests are to be affected thereby in any way India must be a party to the negotiations and the Committee trust His Majesty's Government will not allow the negotiations to proceed further without representative Indian participation."

APPENDIX 30.

Indo-Japanese Trade Discussions.

Letter No. 2501 *dated 3rd October from Chamber to Government of India, Commerce Department.*

I am directed to communicate to you hereby the text of the four Resolutions passed by the Committee of this Chamber on the above subject. You will kindly place the same before the Government of India Delegation at the negotiations. Also please make available copies of the same to the non-official Advisers to the said Delegation. Please acknowledge receipt.

RESOLUTIONS.

re: Indo-Japanese Trade Discussions.

1. The Committee of the Indian Merchants' Chamber request the Government of India that, in any agreement that they may enter into with the Government of Japan, they shall place above all the agricultural and industrial interests of the country, so that the same may not be adversely affected in the slightest manner by such an agreement. Any agreement so entered into should provide for factors, like Exchange, so that steps may be taken in case the interests of the country (India) suffer or are likely to suffer. The following important industries are at present affected by Japanese competition, irrespective of the cotton textile industry :—

Soap	Glassware
Leather Goods	Boots and Shoes
Hardware & Shipping Industry.	Electric Bulbs.

Any agreement which is entered into should take note of this, as it is vitally essential that these industries should be saved from the ruin which threatens them if the present conditions are allowed to continue. It must be remembered that these industries are in a condition of infancy and hence require even much greater protection than industries which have been established for so long a time.

Indian agriculture also stands at present threatened, if the boycott of Indian cotton is going to be continued. It is essential that the interests of the Indian agriculturists should be safeguarded, so that they may not suffer. Government of India will, the Committee trust, look into this question closely, in view of the possible reaction of the Japanese attitude on the cotton growers of India, and consider the great necessity of giving every facility to the Indian agriculturist to grow better staple cotton with a view to finding fresh markets for the same in various parts of the world.

These claims of industries and agriculture, which may appear at first sight conflicting, will have to be synthesised and earnestly taken into consideration, before any agreement is arrived at.

II. The Committee of this Chamber are emphatically of opinion that the Government of India should be very careful in coming to any decision regarding negotiations being carried on by the British Cotton Textile Delegation with the Japanese and Indian Cotton Textile Deligations. It is true that the British Delegation is not here on the invitation of the Government of India, but Government may be faced with certain conclusions, as a result of tripartite negotiations, and it is with regard to this that the Committee hope Government will be pleased to scrutinise the demands of the British Delegation with a view to see that the Indian industrial interests do not suffer in any way by their acceptance.

III. The Committee of this Chamber are of opinion that, if any settlement of any character is arrived at between the different Delegations, now carrying on negotiations in India, the Government of India should give an opportunity to the people of India to express their views on the proposed terms and negotiations of such a settlement before such a settlement is ratified.

IV. The Committee of this Chamber are definitely opposed to the suggestion of dividing the foreign trade of this country and assigning to any country abroad any definite quantity or quota.

APPENDIX 31.

Dumping of Japanese Rice into India.

Telegram dated 14th October from Chamber to Government of India, Commerce Department.

Committee Indian Merchants Chamber have learnt with feeling of pain and regret that Japan has sold one consignment of Rice of seven thousand tons to this country at considerably lower rate than the rates ruling in the market rice which was exported from the country to Japan two or three years back. This consignment it is reported is to be followed by other consignments. Already the first consignment has tended to affect the market adversely and lower the prices. This has also affected Jowari Bajri and wheat prices in particular. Japan has placed a ban on Indian Rice and yet exports old Indian Rice to this country causing harm to local trade and agriculture Committee for all these reasons request government to be pleased to place a ban on the import of old Indian Rice from Japan.

APPENDIX 32.

Dumping of Japanese Sugar Candy in India.

Letter No. 114 *dated 9th January* 1933 *from Chamber to Government of India, Commerce Department.*

Manufacturers of Sugarcandy in Bombay have forwarded recently to Government a detailed statement, drawing their attention to the position in which this industry is placed, as a result of the competition from Japan.

The Committee of this Chamber have examined their case, and feel that, unless they are afforded some protection against the abnormal imports from Japan, the Indian manufacturers will be driven to the wall before long. My Committee had recently occasion to draw Government's attention to various instances in which abnormal importation from Japan, facilitated by exchange depreciation and otherwise, were threatening the

existence of various nascent indigenous industries. They had suggested the Government should lose no time to arm themselves with measures designed to prevent such dumping. In commending now to the attention of Government the claims of the sugar-candy industry for assistance and protection, my Committee would take the opportunity of reiterating that Government should take steps to place the necessary antidumping legislation on the Statute Book at an early date.

Letter No. 127—*T* (47) *dated* 23*rd January* 1933 *from Government of India to Chamber.*

I am directed to acknowledge the receipt of your letter No. 114, dated the 9th January, 1933, on the subject noted above and to say that the views of your Chamber have been noted by the Government of India.

APPENDIX 33.

Protection to Indian Magnesium Chloride industry from Japanese Dumping.

Letter No. 31689 *dated* 21*st December* 1933 *from Chamber to Government of India, Commerce Department.*

The attention of the Committee of this Chamber has been drawn to dumping by Japan of Magnesium Chloride into India at uneconomic prices, thus adversely affecting the indigenous industry. In this connection, they understand that the Pioneer Magnesia Works, Bombay, have approached the Government of India with a request to take immediate measures to assist the industry under the abovementioned Act. My Committee feel that unless adequate and timely protection is accorded to the Indigenous Magnesium Chloride Industry, its position will be seriously threatened by the dumping of Japanese stuff. They, therefore, urge the Government of India to be pleased to exercise the power vested in them (Government) under the Act and take immediate action without any further delay.

Letter No. 312—T (34) dated 5th January 1934 from Government of India to Chamber.

In reply to your letter No. 3168, dated the 21st December 1933, on the subject noted above, I am directed to refer you to item No. 14 of the Schedule to the Indian Tariff (Amendment) Bill (copy enclosed) which was introduced in the Legislative Assembly on the 23rd December 1933.

Amendment to the Second Schedule to the Indian Tariff Act. Extract from Tariff Amendment Bill.

14. For Item No. 141B the following item shall be substituted, namely :—

"141B HEAVY CHEMICALS, the following namely :—

"	Magnesium chloride	One rupee and five annas per cwt. or 25 per cent *ad valorem*, whichever is higher."

APPENDIX 34.

Protection to the Silk Industry-Tariff Board Enquiry.

Letter No. 5 dated 3rd January 1933 from the Tariff Board to Chamber.

I am directed to send herewith a copy of the questionaire prepared by the Tariff Board in connection with its enquiry into the Sericultural industry. Your replies to the questionnaire with six spare copies may kindly be forwarded so as to reach the Board's office at the Council Hall, Poona, not later than the 1st February, 1933.

QUESTIONNAIRE.

(N.B.—1. Please answer only questions dealing with matters with which you are directly acquainted.

2. Throughout the questionnaire the Board has asked for various statistics for the last five years. If without delaying your replies you can give these statistics for the last ten years, the additional information would be of great assistance to the Board.

3. Please send your reply (with six spare copies) in time to reach the Secretary, Indian Tariff Board, Council Hall, Poona, not later than 3rd February, 1933.

As the time available for this enquiry is limited, it is important to adhere to this date.)

1. What is the history and the present extent of the industry with which you are concerned ? Over what area is it carried on ? How many people are (*a*) entirely, (*b*) partly dependent upon (i) silkworm rearing, and (ii) reeling, for their livelihood ?

2. How is the industry organised with reference to management, finance and marketing ?

3. What is the maximum production of (i) cocoons (ii) raw silk, attainable under the present organisation ? Give the quantity and value of cocoons and raw silk produced in each of the last five years, and explain any material variation between these figures and your estimate of the maximum production attainable.

4. What is the silk content of typical varieties of cocoons? How does this yield compare with that of Chinese and Japanese cocoons? Is it true that some filatures in India have closed down for want of an adequate supply of Indian cocoons ?

5. Which kinds of silkworms are reared ? Describe in detail the process of rearing and the various stages from the laying of the egg to the completion of the cocoon ?

6. (a) What is your method of constructing and equipping a rearing house and what does it cost ? How often do the various parts of it need renewal ? In what way can the present method of construction and equipment be improved?

(b) Please show in the following form the results given by each variety of worms reared.

Race of variety.	Number of days,	Number of cocoons to a lb.	Length of filament.	Denier.

7. Is your method of rearing worms different from that followed in other countries where sericulture is carried on ? If so, please explain the exact difference.

8. Are the worms reared from local or from imported seed? Is the production of seed organised separately from the production of cocoons ? If it is, give full particulars of the organisation, with full details of the work done and its cost per ounce of seed. If there is no separate organisation, is any control exercised over the selection of cocoons for the production of seed?

9. Are your worms univoltine, bivoltine or multivoltine? If multivoltine, how many broods are ordinarily raised in a year? What is the average number of worms produced from an ounce of seed ? How many ounces of seed are on the average hatched in a year ?

10. On what leaves are the worms fed? If on mulberry leaves, state whether the mulberry is cultivated by the man who breeds the worms either on his own land or on leased land, or by a man from whom the breeder buys the leaves. In either case give full particulars of the method and cost of cultivation both initial and recurring (e.g. the cost of preparing an acre of land, the kind and quality of manure used, the number of trees or bushes to the acre, the yield of leaf per tree or bush and the average life of the tree or bush), the quantity of leaves required

to feed the worms produced from an ounce of seed and the cost of these leaves to the breeder. If the worms are fed on leaves other than mulberry, state what the leaves are, how they are supplied and at what price.

11. Please give a statement showing for the last five years (i) the prices paid to the cultivator or mulberry leaves by the breeder of worms (ii) the cost of cultivating mulberry per acre on irrigated and unirrigated land (iii) the cost of cultivation per acre of other alternative crops.

12. What methods are being adopted in your area for improving the supply and quality of food for silkworms and reducing its price ?

13. On the average what percentage of the worms die before they form cocoons and from what causes ?

14. What are the kinds of disease from which silkworms suffer ? What are the causes and what precautions are taken to protect the worms from disease ?

15. Do you agree that "climate is the most important factor in the development of sericulture and that the governing points from a climatic point of view are temperature and humidity. The temperature that is most suitable is between 75° to 80° F with 50 to 70 per cent humidity" ? Please state if the climatic conditions in the area with which you are concerned are suitable for the development of sericulture.

16. What is the average yield of cocoons per ounce of seed ?

17. Give for each of the last five years (a) the total works expenditure incurred on the production of cocoons and (b) the works cost of producing cocoons from one ounce of seed under the following heads :—

(1) Cost of seed
(2) Cost of labour
(3) Cost of food for worms
(4) Cost of appliances
(5) Other expenses
(6) Total.

N.B.—If figures are not available for the whole of the area with which you are concerned it will suffice if they are given for any part of it for which they can be compiled with accuracy. In this case the total quantity produced in the area for which costs are given should be stated.

18. What is the proportions of cocoons reeled to those kept for production of seed? What is the average value of each?

19. Does the breeder of worms keep his cocoons to reel at home or does he sell them as cocoons? If he sells them, does he sell at once irrespective of the state of the market or can he keep them till prices suit him ? Give the average prices obtained in each of the last five years. If he reels the silk himself, state the average yield of (a) silk and (b) chasam or waste obtained from one hundred pounds of cocoons in each of the last five years and the average value of each.

20. How much of the total production of raw silk is reeled by hand on single or multiple charka, and how much by power driven machinery ? Give a full description of each process and of each machine employed.

21. Give for each of the last five years the total quantity of (1) raw silk reeled, and (2) waste produced with the average price obtained for each. How many cocoons are required to produce a pound of raw silk ? What is the average proportion of waste to a pound of raw silk ? Please state whether your answer relates to silk reeled in a filature or to silk reeled by hand, and in the latter case the method of hand reeling should be specified.

22. What is the initial cost of the equipment commonly used for hand reeling ? What outturn should it give ? How long does it last ?

23. Give for each of the last five years (a) the total work expenditure upon reeling and (b) the works cost of reeling one pound of raw silk,

(i) by charkha,

(ii) by Mysore Domestic Basin or other basins, and

(iii) filature,

under the following heads:—

(i) cost of cocoons

(ii) cost of labour

(iii) cost of power, light and fuel

(iv) cost of water and soap.

(v) cost of supervision and management

(vi) cost of repairs and maintenance

(vii) selling expenses

(viii) other expenses

(ix) total.

24. Do you consider that Indian filatures are at any disadvantage as compared with their foreign competitors in respect of these items of cost ?

25. Please state the maximum capacity of the filature for which costs are given; give the actual output of (a) raw silk and (b) waste for each of the last five years.

26. What size you consider a filature should be in order to ensure the most efficient and economical working ? Can you give an approximate estimate of the capital required to establish such a filature ?

27. Have you any knowledge of filatures in foreign countries ? If so, please state what size is generally considered to be economical.

28. What is the total number of people engaged in each branch of the sericultural industry ? Please give figures for 1926-27 and for the present year.

29. What is the total strength of the labour employed in your filature ? What proportion of the labour is skilled ? Is an adequate supply of skilled labour available ? How long does it take untrained labour to acquire the minimum skill necessary ?

30. (i) Please give the rates of wages paid to reelers working.

" (a) with charkha,

(b) With Mysore domestic basin or other basins,

(c) in a filature.

(ii) To what extent do you consider the sericultural industry in India is hampered in comparison with its comparison by the inefficiency of Indian labour ?

(iii) What are the present facilities provided for technical education.

(a) for reelers,

(b) for rearers, and

(c) any other skilled labour ?

31. What is the block value of your filature as it stood in your books at the end of the last complete financial year under the following heads :—

(a) Leases and concessions,

(b) Lands,

(c) Buildings,

(d) Plant and machinery,

(e) Other assets.

32. What do you estimate should be the present day cost under the heads:—

(i) buildings,

(ii) plant and machinery.

for erecting a filature having the same capacity as your filature?

33. Please state for each year since 1927-28 the rate at which (a) buildings, (b) plant and machinery have been depreciated and the total amount written off. Please also state the amount of reserve fund created, if any, either from surplus profits or from other sources ?

34. What amount of working capital do you consider necessary for a filature of the capacity stated ? How is the working capital obtained and at what rate of interest ?

35. If any further processes are carried out in the area with which you are concerned, such as the spinning of waste silk or the re-reeling or the 'throwing' of raw silk, please give full particulars for each of such processes.

36. Where 'throwing' is carried on as a separate business, please supply all the information regarding it which has been asked for in question numbers 23 to 34 relating to filatures.

37. What are the various industrial uses of raw silk in India ?

38. What do you estimate to be at present

(i) the total Indian demand,

(ii) the total Indian production of raw silk ?

39. Of the total quantity of raw silk and waste produced in each of the last five years please state the quantity used locally, the quantity sold for use in other parts of India and the quantity sold for export. Please give full particulars of the marketing methods adopted.

40. Compare the railway freight paid by importers from the ports to the principal upcountry markets and the railway freight paid by you.

(**N.B.** What is desired is detailed instances giving the name of the port, the names of the upcountry stations, the distances, rates per maund per mile, etc.

41. Plesase prepare a statement showing the prices at which during the past five years your products have been sold in distant markets as compared with your home market. Do the former generally correspond with the latter if allowance is made for freight to destination ? If not, please explain the reasons for the difference.

42. What is the present method of sorting and grading Indian silk ? Can this method be improved ? If so, please make your suggestions.

43. Is there generally any marked difference between the wholesale prices published by the chambers of Commerce and the prices actully realised by the reelers ? Please support your answer by figures and give reasons for any difference.

44. Please state the quantity of each kind of foreign silk imported by you during each year since 1927-28. From what countries have you imported it and at what prices ? If possible, please give :

(1) f.o.b. price per lb.
(2) port of importation,
(3) freight and insurance etc.,
(4) landing charges, etc.

State the class or classes of raw silk for which prices are given.

45. What kinds of imported silk as classified in the Indian Customs Tariff compete with the different kinds of Indian silk and what kinds of imported silk are generally required by the handloom weavers ?

46. Do you consider that any raw silk imported from China or other countries is placed on the Indian market at prices which do not cover the cost of production or at prices which are lower in India that those at which they are placed on other markets (excluding freight and duty). If so, please furnish samples of such silk, if possible, with particulars of such prices. Please state fully your reasons and the evidence on which you rely.

47. How does the quality of the competitive varieties of imported raw silk compare with that of Indian silk in colour, in other intrinsic merits and is winding qualities ? How far is the difference of price between Indian and imported silk due to these considerations and how far to other causes ?

48. To what extent do you consider that the competition of imported silk with Indian silk has been accentuated by fluctuations in the exchange value of the currency of the exporting countries ? Please give figures in support of your view. Do you consider that competition from foreign countries is likely to increase in the future owing to the exchange factor ?

49. What quantity of silk waste is imported into India and what use is made of it ?

50. Please state whether any attempt has been made in India to instal a spinning plant for the manufacture of spun

silk out of silk waste ? If not, what are the causes ? What capital outlay is required for such a plant ?

51. To what causes do you attribute the serious decline of the sericultural industry ?

52. To what extent do you consider the decline due to the operation of world factors, of factors special to India or of factors special to a particular locality in India ?

53. Do you consider that the causes of the present decline in the industry are of a temporary or parmanent character ?

54. What are the reasons for the decline of the export trade in raw silk, waste and cocoons ? What are the prospects of reviving it ?

55. Does the present method of levying revenue duty on raw silk seriously affect the silk industry ? If so, please state what remedy you suggest.

56. In paragraph 97 of their report, the Fiscal Commission laid down three conditions which in ordinary cases ought to be satisfied by industries claiming protection. Do you consider that those conditions are satisfied in the case of the sericultural industry ? And in particular—

A. Do you claim that the industry possesses natural advantages, such as an abundant supply of raw materials, cheap power, a sufficient supply of labour or a large home market ?

B. Do you claim that without the help of protection, the industry is not likely to develop at all or is not likely to develop so rapidly as is desirable in the interests of the country ?

C. Do you claim that the industry will eventually be able to face world competition without protection ?

57. (a) What is the amount of protection which you consider necessary ?

(b) In what form do you propose it should be given ?

(c) For what period do you think it will be required ? Please give full reasons for your answers.

58. What is likely to be the effect of your proposals upon (a) the silk textile industry in India, (b) the handloom industry? Are any other industries likely to be affected ?

59. What proportion of the cost of (1) twisted silk and (2) silk piecegoods is represented by the cost of raw silk ?

60. Do you consider that if the sericultural industry is protected for a certain period, it will be possible within that period to reduce the cost of producing raw silk in India ? If so please state (1) the amount of reduction which can be secured, (2) the particular items of cost in which reduction can be made and (3) the means by which such reduction can be brought about ?

Letter No. 681 *dated 2nd March from Chamber to Tariff Board.*

With reference to your letter of the 3rd January, 1933, No. 5, I am directed by the Committee of this Chamber to send to you their views hereby on the questionnaire issued by the Tariff Board regarding the question of granting protection to the Indian Sericulture Industry.

The Indian Sericulture Industry is one of the few ancient indigenous industries of the country, mainly carried on as a subsidiary industry by the agriculturists, and affords some profitable employment to a considerable portion of the rural population of the country. It is not confined only to any one part of the country, but is spread over practically the whole of India—Mysore, Bengal, Kashmir and certain parts of the Madras Presidency being the principal centres of the industry.

Recently the industry has been experiencing great depression mainly due to the following causes :—

(1) Higher prices of Indian varieties of silks, because of their superiority over the imported ones, and the consequent decline in the export of Indian products, such as raw silk, waste and cocoons.

(2) Keen competition of the coarser and cheaper varieties of foreign raw silk with the Indian raw silk, which is much superior to the imported stuff, due to the great fall in their prices as a result of the fall in the Exchanges of China and Japan.

(3) The Indian tariff of 25 per cent. on imported raw silks being too low to be of any practical help to the indigenous industry.

The total effect of all the above factors has been disastrous to the indigenous industry.

My Committee are strongly of opinion that the Indian Sericulture Industry fully satisfied all the three conditions laid down in para 97 of the Fiscal Commission, and that the Industry will shortly be driven to the wall, if an immediate relief in the form of adequate protection is not given to it. They therefore suggest that adequate protective duty be levied on all imported raw silks, to enable the Indian Sericulture Industry to withstand foreign competition successfully.

My Committee would like to take this opportunity of pointing out how necessary it is for the Provincial Government of Madras and Bengal, wherein principally the Sericulture Industry has developed, to pay increasing attention to the improvement and development of the industry. It may be pointed out here that the Governments of Mysore and Kashmir are doing their bit for the improvement of the Sericulture industry in their States, but nothing has been done, so far as my Committee are aware; in this direction by Governments of Madras and Bengal in their Provinces. My Committee, therefore, suggest that the Government of India should now take a lead, and that a Central Body, on the lines of the Central Cotton Committee, should be set up to deal with problems regarding Sericulture Industry. This Body should have a Conditioning-house, like the Conditioning-houses at Lyons in France and Zurich in Switzerland and a staff of research workers to tackle questions of qualities and improvements necessary in the production of Indian raw silk, to grade and sort out on scientific lines the various types of raw silk.

My Committee trust, in conclusion, that the Tariff Board will be pleased to recommend to the Government of India the grant of immediate protection to the Indian Sericulture Industry by levying sufficient protective duties of imported raw silks.

APPENDIX 35.

Protection to the Steel Industry.

Government of India, Commerce Department, resolution dated 26th August 1933.

No. 260-T. (8)/33.—The protection afforded to certain manufactures of iron and steel by the Steel Industry (Protection) Act, 1927, as subsequently amended, will determine on the 31st day of March 1934. Clause 3 of that Act provides that the Governor General in Council shall, not later than the 31st day of March 1934, cause to be made by such persons as he may appoint in this behalf, an enquiry as to the extent, if any, to which it is necessary to continue the protection of the steel industry in British India and as to the manner in which any protection found necessary should be conferred. The Government of India have decided that the prescribed Statutory Enquiry should be undertaken by the Tariff Board and the following terms of reference have been framed for its guidance :—

(a) The Board is requested to re-examine the measures of protection now enjoyed by the steel industry under the Steel Industry (Protection) Act of 1927, as subsequently amended, the Wire and Wire Nail Industry (Protection) Act of 1932 and the Indian Tariff (Ottawa Trade Agreement) Amendment Act of 1932 and to report in respect of each protected article whether it is still necessary to continue protection and, if so, whether the existing measure of protection should be increased or diminished or whether the manner in which protection is conferred should be altered.

(b) In dealing with the wire and wire nail industry the Board will bear in mind the considerations set forth in paragraphs 3, 4 and 5 of its 1931 Report on the Wire and Wire Nail Industry and will consider whether the first of the conditions prescribed by the Indian Fiscal Commission in paragraph 97 of its Report is now satisfied.

(c) In making its recommendations the Tariff Board will take all relevant considerations into account including that stated in part (b) of the Resolution adopted by the Legislative Assembly on the 16th February 1923.

(d) The Board will also be at liberty to examine the claims for protection of industries making iron and steel products which do not come within the scope of the present Acts and to report whether, having regard to the principles laid down in paragraph 97 of the Report of the Indian Fiscal Commission, such claims should be admitted and, if so, the nature and extent of the protection that should be given.

2. Firms or persons interested in the iron and steel industry or industries dependent on the use of iron and steel, who desire that their views should be considered by the Tariff Board should address their representations to the Secretary of the Board.

Letter No. 2677 *dated 25th October* 1933 *from Chamber to the Tariff Board.*

I am directed by the Committee of this Chamber to submit their views as under, in response to the Government of India, Department of Commerce, Resolution No. 260-T. (8)/33, dated 26th August 1933.

My Committee have carefully considered the representation submitted by the Tata Iron & Steel Company in this connection, and feel that the Company has made out a good case, deserving support both by Government and by the public. They wish to draw the attention of the Board particularly to the fact that

in spite of making elaborate and carefully thought out calculations, the previous Tariff Board could not achieve its objective on account of unforeseen circumstances, over which it had no control. It seems that the defect lies in the lack of an appropriate machinery to cope with altering conditions, and my Committee therefore would like to suggest to the Board that some method should be devised for preventing the failure of protection during the coming period. My Committee do not think it advisable to make any definite suggestion at this stage because they have no doubt that the Board is much better placed to do so than themselves.

My Committee are of opinion that the protection of the Steel Industry is a very important matter for the country, and while agreeing entirely with the view taken by previous Tariff Boards and the Government in the matter of protecting this industry, they are naturally anxious to see that after a reasonable period of adequate protection the Company should be placed in a position which would enable it to stand on its own legs. If for the next seven years the Company gets the protection which is asked for, and if the demand of the Railways for the products of the Company should remain relatively constant, the Company should be in a strong enough position to be able to withstand foreign competition without any burden on the consumer.

Although my Committee support the claim of the Tata Iron and Steel Company for protection so strongly, they cannot but recognise that there is a definite burden on the consumer in consequence of this protection. They are, therefore, anxious that the experiment should be made satisfactorily, once for all, regardless of the reduction in steel prices abroad whether on account of exchange or for any other factor. The consequent extra burden temporarily thrown on the consumer will be more than repaid if, thereby, the steel industry, which is a natural and essential basic industry of the country, is firmly established, because, ultimately, all industrial progress in India will depend on the existence of a strong indigenous steel industry.

APPENDIX 36.

Tariff amending Bill re. import duty on diesel Oil.

Telegram sent by the Committee dated 29th November 1933 on the Tariff Amending Bill re: Import duty on diesel oil.

"Committee Indian Merchants Chamber strongly object to Bill amending Import Tariff so as to apply rate of duty now prescribed for kerosene to all other mineral oils excepting motor spirit under conditions referred in bill. They feel effect of bill would be to seriously injure progress of small industries which are increasingly using types mineral oils which are being proposed to be taxed at kerosene rate. Committee therefore strongly urge Government withdraw Bill."

APPENDIX 37.

Delhi Piecegoods Association and lower duty to certain kinds of Continental Textile imports.

Letter No. 466 dated 18th September 1933 from the Delhi Piecegoods Association to the Indian Merchants' Chamber.

For some considerable time previous to the extension of protection to the Indian cotton textile industry by the imposition of a duty on non-British cotton piecegoods, this Association had been urging the Government of India through the Commerce Department to take effective steps to prevent Japanese dumping and to extend some form of adequate protection to Indian manufacturers and the piecegoods trade in general. We took this action, in spite of the fact that some of our members have been importers of Japanese piecegoods, for the reason that we considered the methods adopted by Japan in conducting her trade in India to be very harmful to the indigenous industry as well as to that very important section of trade, the import business in wholesale piecegoods. We therefore gave all the support

possible to getting this protective duty placed on Japanese imports and under circumstances that could not be ignored by the Government of India, it was not possible to place these additional duties on Japanese goods alone, and therefore all non-British goods were penalised, creating an unsatisfactory position for a very large section of the importers whose lines do not conflict to any great extent with the Indian manufacturers.

Since these duties were imposed we have constantly been in touch with the Government of India placing before them our views and asking that some relief should be given to that section of the import trade in non-British goods that do not infringe to any great extent on the manufacturing industries of India. The position in regard to this trade is probably quite familiar to yourself as there are undoubtedly a very large number of your members, who are engaged in the continental piecegoods trade and to whom the hardships imposed by the special duties are quite familiar. We are at the present moment working out careful statistics to give the Government of India a detailed idea of the present position and we expect at an early date to send you a copy. In the meantime we would like to make a special request that you should bring this matter to the notice of your Committee, pointing out the necessity of combined action being taken to induce the Government of India to take such steps in regard to the present negotiations with the Japanese delegation that will prevent the present unsatisfactory position in regard to the other non-British goods being perpetuated or any further burdens of an unnecessary character being imposed on this section of the trade.

As a preliminary point we would like to emphasise that the bulk of piecegoods lines imported from non-British manufacturing countries other than Japan are lines that are not manufactured to any great extent by Indian mills and also in many cases are not a serious competition to Lancashire.

In fact, in some cases, the original material (grey cloth) has been imported into the foreign countries from Lancashire mills and the additional work (e.g. embroidering, finishing and dyeing etc.) done in these countries before export to India and

other parts of the world. By imposing a general protective tariff on all imports from non-British countries, these partly British goods have been penalised with the result that a great hardship is being experienced by a very substantial portion of the piecegoods import trade. Our position is that the protection afforded by the Ottawa agreement is ample to protect Lancashire from non-British competition and that therefore those countries who have not the same preponderating advantage of exchange labour conditions, etc., enjoyed by Japan should not be penalised in the same way as the latter. We feel sure that the Indian manufacturers will see the justice of this contention and as there is a very short time at our disposal for making the necessary representations for consideration by the Indian Government while the Japanese delegation is here, we would urge that you extend your support to us by making the necessary representations to the Commerce Department of the Government of India on this subject.

We also feel that it is essential that a member or members representing the point of view of the wholesale piecegoods importers should be in Simla at the time of these discussions either in attendance in an official capacity or as observers advising the Government of India, and we put this suggestion to you for consideration of your Committee and for favourable action. It is only by such means that we think it possible to get fair treatment for all sections, of this business during the forthcoming discussions and subsequent arrangements that will be made by the Government of India. An early reply from you giving us the views of your Association would be greatly appreciated.

Letter No. 2489 *dated 3rd October* 1933 *from Chamber to Delhi Piecegoods Association.*

Your letter No. 466 of the 18th September, 1933, was considered by the Committee of this Chamber at their meeting held on the 26th September, 1933.

My Committee are afraid that they are not in a position to see eye to eye regarding the various points raised in your letter under reply. They are of opinion that the interests of the Indian textile industry should be of paramount consideration

to the people of the country, as well as to the Government. Any concession that may be given to foreign textile interests, in any shape, will prove, particularly at this juncture, highly detrimental to the Indian textile industry. Under the circumstances my Committee are not prepared to countenance any proposal that may have this detrimental effect, and therefore regret their inability to comply with the request contained in your letter under reply.

Letter No. 545 *dated 7th October from the Delhi Piecegoods Association to Chamber.*

I am in receipt of your letter No. 2489 of the 3rd instant, for which I thank you.

I fear you have misunderstood our position as detailed in my letter No. 466 of the 18th September. My Committee have made it clear that at all times all reasonable protection should be given to the Indian textile industry but our special case is that where goods imported from non-British countries did not in any way conflict with Indian manufactures they should not be penalised, as should quite rightly be the case where the goods imported clash definitely with Indian manufactures. I hope this statement is quite clear and reasonable and that it will meet with sympathy from your members. My Committee feel that your opinion that any concession to such non-competitive foreign textile interests would be detrimental to the Indian textile industry is an extreme position not justified by the facts and I would be obliged if you ask your Committee to reconsider our letter along with the above very definite statement of policy and extend their support to a very extensive section of the Indian trade whose sympathies and support are entirely with the Indian textile industry at the present juncture.

Letter No. 2708 *dated 27th October* 1933 *from Chamber to Delhi Piecegoods Association.*

I am directed to acknowledge receipt of your letter of the 7th instant, No. 545, and to observe as follows :

My Committee, after careful consideration of your letter, do not think that they have in any way misunderstood your

position, as detailed in your letter No. 466 of the 18th September. The attitude taken by my Committee, that any concessions to foreign textile interests would be detrimental to Indian textile industry, is, they submit, not an extreme position. It is dictated by the exigencies of the present depressed conditions of the indigenous industry. Your Association will, no doubt, realise the grave situation with which the Indian textile industry is faced at the moment. Any concession to non-Indian textiles is, therefore, bound to react adversely on the Indian industry.

Under the circumstances, my Committee regret to have to reiterate their previous opinion, that they are against giving any concessions to non-Indian textile goods.

APPENDIX 38.

Import duty on Fruits and Mangoes.

Letter No. 642 *dated 25th February* 1933 *from Chamber to Government of India, Commerce Department.*

The Committee of this Chamber have recently received complaints from some mango and fruit merchants of Bombay regarding the increase in import duty by 5 percent. on mangoes and fruits imported from Nova Goa. This increase of duty by 5 per cent., raising the total import duty to 30 per cent., on fruits and mangoes, imported from non-British territories, on the coming into effect of the Ottawa Agreement, has adversely affected the fruit trade between Bombay and Nova Goa. My Committee may be allowed to state in this connection that there are not a few fruit dealers in this City who mainly depend for their maintenance on their trade in mangoes during the season and the restriction that would naturally result in this their trade owing to the rise in prices consequent upon the increase in duty, would deprive many of them of their means of livelihood. Besides, to the poorer of the consumers, whose purchasing power has already been crippled by the growing burden of taxation direct and indirect, this has perhaps been the only fruit they could,

owing to its cheapness, purchase and relish, and any rise in the prices thereof however small would inflict considerable hardship on them and that higher prices of fruits would especially add to the woes of the sick and suffering amongst them as fruits form a necessary part of their diet. My Committee hope that Government would realise how these poor merchants and consumers are afflicted by the increase in duty and how the Ottawa Agreement, which is responsible for this increase, is producing deleterious effects on the trade and commerce of this country.

APPENDIX 39.

French import duty on Indian Magnesium Chloride. (Vide Annual Report for 1932).

Copy Letter No. 413—*T* (17), *dated 3rd January* 1933, *from the Government of India, Department of Commerce, to the Indian Merchants' Chamber.*

I am directed to refer to your letter No. 1162, dated the 8th August 1932, on the above subject, and to state for your information that the French import tariff provides two rates of duty, the minimum and the general, on magnesium chloride. Under the Franco German Commercial Agreement of 1927, imports into France of magnesium chloride of German origin enjoy the minimum rate of 15 Francs per 100 Kilos while those of Indian origin pay the general rate of 60 Francs per 100 Kilos *plus* an exchange compensation surtax of 15 per cent *ad valorem*. In addition imports from either country are chargeable with an "import tax" of 4 per cent levied on value plus duty.

2. The trade between India and France is governed by a Convention dated the 19th February 1903, but under this only a few articles of Indian produce, which do not include magnesium chloride, enjoy on importation into France the benefit of the lowest customs duties applicable to similar products of any other foreign origin. The Government of India are of opinion, therefore, that the action of the French Government in

admitting the German product at a lower rate than the Indian does not contravene the terms of the Trade Convention with India.

Letter No. 204 dated 20th January 1933 from Chamber to Government of India.

I am directed to acknowledge the receipt of your letter No. 413-T (17), dated the 3rd January 1933, on the above subject, informing my Committee that (1) imports into France of Magnesium Chloride of German origin enjoy the minimum rate of duty under the Franco-German Commercial Agreement of 1927, and that (2) Indian Magnesium Chloride is not included in the few articles of Indian produce enjoying on importation into France the benefit of the lowest customs duties according to a Convention dated the 19th February, 1903.

On referring to the Convention entered into between Great Britain and France respecting Commercial Relations between France and India at London on the 19th February, 1903 (vide page 213, Handbook of Commercial Treaties between Great Britain and Foreign Powers, 3rd edition London 1924), my Committee note that the same has been denounced by France on the 10th September 1918, but is being continued in force, subject to three months' notice. My Committee would now like to know what is the present position in regard to the said Convention.

In this connection, my Committee would like to bring to the notice of Government that when the Convention dated 19th February 1903, was signed, Indian did not manufacture Magnesium Chloride. Government are, perhaps, aware that the manufacture of magnesium hloride began in 1915 only. Under the circumstances, it is natural that magnesium chloride could not be included in the few articles of Indian produce covered by the Convention of 1903.

The Indian Magnesium Chloride Industry is one of the nascent indigenous industries requiring encouragement from Government. The Industry, besides supplying the domestic requirements, has developed an export trade to Great Britain, the Continent, Union of South Africa, Australia, etc.

It is understood that France is one of the biggest consumers of magnesium chloride. Owing to the heavy differential duty the Indian produce has to pay on importation into France, the Indian Magnesium Chloride Industry is greatly handicapped.

My Committee understand that recently some trade negotiations have been going on between His Majesty's Government and the French Government. If so, they would request the Government of India to take the opportunity of securing for the Indian product the benefit of the lowest customs duties applicable to the same product from other foreign countries. Even if such negotiations between Great Britain and France are not going on at the moment, my Committee would urge Government to negotiate with the French Government and secure the above mentioned preferential treatment. My Committee will be glad to be informed of what action Government propose to take in this matter.

Letter No. 115 (13) *T & E dated 8th March* 1931 *from Government of India to Chamber.*

In reply to your letter No. 204, dated the 20th January 1933, I am directed to say that the position in regard to the Indo-French Convention of 1903 is still the same as stated by you, i.e. that the Convention is being continued in force subject to three months' notice on either side.

2. As regards your request that step may be taken to secure the benefit of the lower rate of customs duty on Indian magnesium chloride imported into France, I am to say that the Government of India consider that no useful purpose would be served at the present time by taking action on the lines suggested in your letter. They will, however, bear in mind the request made by your Chamber should a suitable opportunity occur in the future for opening negotiations with the French Government for a revision of the Convention of 1903.

APPENDIX 40.

Import duty on Salt.

Telegram dated 4th March 1933 from Chamber to Government of India, Finance Department.

Committee Indian Merchants' Chamber understand special Committee of Assembly will consider tomorrow question of continuing protection to salt industry. Committee beg to refer you to their representations in this connection during 1930 and beg to urge that if India is to be made selfcontained for salt in near future existing protection should be continued at least for five years more. In any case effort? to distuirb existing protection at this juncture in the artificial abnormal world conditions prevailing must imperil the existence of the Indian salt producing industry which it is imperative to avoid.

APPENDIX 41.

Assessment of Certain printing press machinery (Vide Annual Report for 1932 pp. 240.)

Letter No. 229—T (19) dated 26th April 1933 from the Government of India, Department of Commerce, to the Indian Merchants' Chamber:

"With reference to your letter to the Director General of Commercial Intelligence and Statitics, No. 1982, dated the 22nd November, 1932, on the subject referred to above, I am directed to say that the question raised by your Chamber has been more than once considered, and there appears no sufficient reason for reversing the decisions which have been arrived at in the past."

APPENDIX 42.

Proposed Changes in tariff Classification.

Letter No. 2454 *dated* 27*th Sept.* 1933.

I am directed by the Committee of this Chamber to acknowledge receipt of the various communications received from you from time to time, inviting their views on the proposed changes in the Schedule to tariff valuations. Their views are as under :—

With regard to the proposal to fix tariff values for Caustic Potash and Acetic Acid, my Committee have no objection.

My Committee have also no objection to fix tariff values for Alum, Glycerine, Oxalic Acid, Copper Sulphate, Sodium sulphide, Sodium Hydrosulphide, Cycle tyres, and Cycle tubes, all sizes from Japan and the Far East. They approve of the suggestion to delete the tariff value for Rice Bowls.

With regard to the suggestion to alter the heading "Vermilion Canton" to "Vermilion from China", and also to alter its tariff value unit from "per box of 90 bundles" to "per lb.", my Committee have no particular views to offer.

My Committee have no objection to the proposal to fix tariff values for Shark fins.

With regard to the proposal to sub-divide the heads "Umbrella ribs, Solids," mentioned in one of your communications, my Committee would like to suggest that the head "Solid Flexus Ribs" should also be subdivided as under :

Solid Flexus, 23, 25 and 27 inches:

From Japan Tariff value per Dozen sets of 8.

From other countries. do.

Solid Flexus, 16, 19 and 21 inches :

From Japan Tariff value per dozen sets of 8,

From other countries, do,

My Committee have carefully considered the suggestion regarding certain deletions and alterations in the existing tariff valued heads relating to silk piecegoods. While they have no objection to delete them, it must however be pointed out that cotton and silk mixed satins not embroidered are made in large quantities in India mostly on cottage industry basis. The plain varieties of cotton and silk mixed satins should, therefore, not be deleted, though in your suggestion it is not made quite clear whether the plain varieties are to be delected or not.

With regard to your suggestion regarding Fancies (a) and (b) it should be clearly stated under (b) that all woven fabrics which have real silk-contents should be put under (a) while those fabrics which are made purely from artificial silk or artificial silk and cotton should be put under (b).

With regard to the suggestion regarding Kembo, my Committee agree that it is an inferior kind of crepe, but at the same time it is not mentioned under which heading it will be put after being excluded from the heading "spun crepe." They would, therefore, like to be enlightened on this point.

My Committee considered the suggestion to fix tariff values for the various kinds of Fents, as referred to in one of your communications and they have no objection to the same.

My Committee have no objection to alter the heading "Mineral Grease" to "Lubricating Grease."

With regard to the suggestion to fix tariff values for (i) transformer oil and (ii) mineral colza oil, under statutory item No. 75, my Committee have no views to express regarding the proposed classification of mineral colza oil. They would, however like to point out with regard to transformer oil that if it is imported with the transformer or the apparatus with which it is to be used the duty payable is 10% under Proviso of Serial No. 99 Statutory Schedule 59D, on page 23 of the Tariff, read together with serial No. 96 Statutory Schedule 59A (4) on page 22. There would be no objection to classify the transformer oil separately in the new tariff, but my Committee would like to suggest that the duty should be charged uniformly at the rate of 10%. This

is on the ground that spare parts for a transformer or other machinery are allowed to be imported at the lower rate of 10%, if they are proved to be component parts under item 99, and the transformer oil should also come under the same classification as this oil has to be changed at regular intervals for proper operation.

APPENDIX 43.

List of articles specified in the Seabourne Trade Returns (vide p. 238 Annual Report for 1932.)

Letter No. 5014-2 *dated* 22*nd April* 1933 *from the Director General of Commercial Intelligence and Statistics.*

I have the honour to invite a reference to the correspondence resting with your letter No. 3170 dated the 15th December 1932 and to forward to the information of your Chamber copies of this Department marginally quoted letters to the Collectors of Customs on the above subject. (Not reproduced).

The suggestion made by your Chamber regarding the specification of certain additional items in the monthly seaborne trade accounts could not be given effect to as it was considered that the proposals would involve considerable extra work both in the Customs Houses and in this Department which it is necessary to avoid at the present moment in view of the urgent need for economy.

Letter No. 1332 *dated* 18*th May* 1933 *from Chamber to the Director General.*

I am directed by the Committee of this Chamber to acknowledge receipt of your letter No. 5014-Q, dated 22nd April, 1933, together with its accompaniments on the above subject, and in reply to address you as under :—

My Committee have carefully gone through the correspondence, passed between your Department and the Collectors of

Customs on the subject, and are sorry to find that your Department cannot recognise the necessity of including certain additional items, such as Healds, Reeds, and Cambs, in the monthly, as well as the annual, Sea-borne Trade Returns, as suggested by them.

In their letter No. 3170, dated 15th December 1932, my Committee referred to efforts, which were then being made, to manufacture millstores used in Cotton and Jute Mills, such as Healds, Reeds and Cambs, in India. It now appears that some four factories have been set up in the country to manufacture these stores. In order that this rising industry may be in a position to gauge the exact extent to which these millstores are imported into the country to meet with the requirements of the Indian Textile Industry, it is necessary that figures for import of such articles must be made available to it. It is not difficult to imagine that, in the absence of these figures, the industry will not be able to make necessary preparations for its development. My Committee, therefore, emphatically reiterate their request to show Healds, Reeds and Cambs, used by the Cotton and Jute Industries in India, separately in the Sea-borne Trade Returns, both monthly as well as annual.

My Committee would, in this connection, point out that items, like French Chalk ; Horns, Horns-tips and pieces ; Lac-Shell and Button; Sticks and Whips, to cite only a few out of a number of such miscellaneous articles, the value of which hardly come to a few thousand rupees per annum, are shown separately in the Trade Returns. My Committee believe that your Department are not unaware of the fact that millstores, such as Healds, Reeds and Cambs, are imported into the country to the tune of about Rs. 25 lakhs annually. They are, therefore, surprised to find that articles, values of which run into lakhs of rupees are not separately shown in the Trade Returns, while others, whose value hardly come to a few thousand rupees, are shown separately. What is more surprising, however, is the argument advanced, that on grounds of financial stringency the request made by my Committee to include millstores referred to above in the above list could not be complied with. If the economy necessitated by the financial stringency was the reason for not complying with

the request of my Committee, the attention of your Department should have first been drawn to articles, such as French Chalk, etc., mentioned above.

My Committee, therefore, trust that the argument of financial stringency would not come in the way of inclusion of millstores, like Healds, Reeds and Cambs, and that the same will henceforth be separately shown in the Sea-borne Trade Returns, both monthly as well as annual.

Letter No. 62 of 16th January 1932 from Chamber to the Director General.

In continuation of my letter No. 2517 of the 9th December, 1931, I am sending to you herewith a list of articles, which in the opinion of my Committee should be separately mentioned in the Sea-borne Trade Returns. My Committee hope that Government will be pleased to accept their suggestion.

List of articles to be mentioned separately in the Sea-borne Trade Returns.

Hand Pumps.

Centrifugal Pumps.

Bedsteads.

Steel Furniture.

Formaldehyde Commercial and Medical

Dental Preparations and Tooth Pastes.

Hydrogen Peroxide.

Flit and similar products.

Hields for Cotton Mills.

Reeds ,, ,,

Shuttles ,, ,,

Cambs for Jute Mills

Reeds for ,, ,,

Shuttles ,, ,,

APPENDIX 44.

Import duties on materials used in the manufacture of Healds and Reeds.

(Vide Annual Report for 1932—P. 241.)

Endorsement No. 38-T (2)/33 dated 18th July 1933 from the Government of India, Commerce Department to Chamber, being copy of a letter addressed to Messrs. E. D. Sasoon & Co., Ltd., Bombay.

With reference to your letter dated the 7th March 1933 on the subject noted above, I am directed to request that the Government of India may be furnished with a detailed statement of the case for consideration. I am to add that it would be convenient if this were done at an early date.

Letter No. 2344 dated 8th September 1933 from Chamber to the Secretary Government of India.

In continuation of my letter No. 1260 of the 19th August 1932, and in reply to your endorsement No. 38-T (2)/33 of the 18th July 1933, I am directed by the Committee of this Chamber to submit a detailed representation setting out the difficulties experienced by the manufacturers of healds and reeds in India.

2. Healds and reeds constitute an important item of stores consumed by the textile mills in India. As no detailed statistics as to the imports of these two articles into India are available either from the Annual Statements of the Seaborne Trade and Navigation of British India or from the Director General of Commercial Intelligence and Statistics, Calcutta, it has not been possible for my Committee to place before you figures showing the actual consumption in Indian mills. They have, however, collected some statistical information pertaining to the consumption of healds and reeds in some representative textile mills in Bombay and Ahmedabad, and the figures thus arrived at show that the average monthly consumption of healds and reeds in annas twelve and annas two and a quarter respectively per loom.

The total number of looms in the cotton textile mills in India, according to the latest available information, is over, 1,86,000. It must be stated that this figure does not include the handlooms established at various centres in India and the looms installed in the jute mills of Bengal. Leaving aside these two industries—the hand-loom and the Jute—the total annual average value of healds and reeds consumed in the cotton textile mills in India would amount to Rs. 16,74,000 and Rs. 3,13,875 respectively. As these figures are worked out on the basis of statements by important groups of mills, it could be safely maintained that they are fairly accurate and give a correct idea about the consumption of these articles in the textile mills in India. If the usual normal expansion in the Indian textile mills industry is taken into consideration, the consumption of these two articles is bound to show a gradual increase.

3. As will be clear from a perusal of the details that follows, this representation has not been made with a view to secure any protection for the healds and reeds manufacturing industry. The object of this representation is to show that the normal development of the Indian healds and reeds industry is considerably hampered by the fact that the Customs import duty on the finished healds and reeds is much lower than on the materials which have to be imported for the manufacture of these two articles, and that the Indian healds and reeds industry stands in need of immediate relief from this inequality in respect of tariff treatment. The raw materials used in the manufacture of healds and reeds are at present assessed to the general customs duty at 25 per cent., instead of at 10 per cent., under item No. 99 of the Tariff Schedules, that is, as component parts of machinery as defined in serial No. 97 (which includes healds and reeds). In the orders passed by the Assistant Collector of Customs, Bombay, on an appeal made by one of the healds and reeds manufacturing concerns, it was mentioned that duty on reed staples, reeds ribs and reed wires was assessed at 25 per cent., as these articles are capable of being used for purposes other than those for which they were imported. My Committee would like to bring to the notice of the Government the fact that Sizing Flannels and Roller Cloth Plates are assessed at 10 per cent. under serial No. 97,

although these articles could be used, and are actually used, for purposes other than those for which they are imported. They are, therefore, of the opinion that this tariff inequality to which the local manufacturers of healds and reeds are subjected should be removed as soon as possible.

The whole case is based upon the Government of India Res. (Dept. of Com.) No. 38-T (2) dated 28th March 1925. The Indian Tariff Board have investigated into the claims of some industries in respect of the tariff inequality between the finished article and the constituent materials, and have endorsed the principle that the inequality in respect of Customs import duty on finished articles and on the materials used in the manufacture of these articles in India should be removed. The Government of India have also accepted this principle, as could be seen from the adoption of the Tariff Board's recommendations in respect of the Printing Types, Electric Wires and Cables and Canvas and Camel Hair Belting Industries.

4. According to the information supplied to my Committee, the total estimated annual production of healds and reeds in the factories at present established in India is as follows :—

Healds	Rs.	3,87,000
Reeds	,,	39,000

My Committee are informed that the existing plant is capable of producing healds worth Rs. 7,50,000 and reeds worth Rs. 70,000 each year, if conditions favourable to the marketing of these two articles are created. The total Indian consumption amounts to Rs. 16,74,000 and Rs. 3,13,875 for healds and reeds respectively. It is thus clear that there is a very wide field for the expansion of this industry in India.

5. The principal imported raw materials used by the different manufacturing companies in the manufacture of healds and reeds, along with the percentage share of each item in the total cost of production, are as under :—

(1) E. D. Sassoon Co., Ltd.,

(a) Healds

Yarn	41.86%
Varnish	22.50%
Wages & Salaries	18.84%
Fuel & Stores	12.52%
Rent, Insurance, General charges, Interest & Depreciation.	4.21%
Total	99.98%

(b) (Reeds)

Polished reed wire	49.70%
Reed ribs, staples, pitch etc.	28.25%
Fuel & Stores	4.14%
Rent, Insurance, General charges, Depreciation and interest	2.61%
Wages and Salaries	15.27%
Total	99.97%

(2) Swadeshi Healds & Reeds Mfg. Co., Ltd., Ahmedabad : Healds :

Yarn	35.7%
Varnishes	17.3%
* Manufacturing cost	47.0%
Total	100.0%

Note :* Includes wages, fuels, stores, rent, insurance, interest, depreciation and all other charges.

(3) The Healds and Reeds Manufacturing Co. of India Ltd., Bombay.

Note : When the yarn manufactured in India is used the cost of production works out to Rs. 33/12/- but when foreign imported yarn

is used the cost of production amounts to Rs. 35/4/-; the percentage of costs in both these cases is as follows :—

(a) Healds :

	Indigenous Yarn	Imported Yarn
Yarn	29.63%	32.63%
Varnish	14.82%	14.18%
Wages & Salaries	27.40%	26.25%
Fuel & stores	10.38%	9.93%
Rent, Insurance and General charges	7.40%	7.09%
Interest & depreciation	10.37%	9.92%
Total	100.00%	100.00%

(b) Reeds :

Polished reed wire	47.17%
Reed ribs, staples, pitch etc.	34.85%
Wages	17.98%
Totzl	100.00%

The cost price of healds per 800 eyes is annas 13-4 ps. (without profit) and for reeds annas 2-1.6 pies per 100 dents, while the present bazar price of the imported healds and reeds amounts to annas 12 1/2 and annas 1/8 respectively. The lower price of the imported articles has forced down the selling price of the locally manufactured healds and reeds. This difference in the cost price of the healds and reeds manufactured in India and the selling price of the imported healds and reeds is due chiefly to the heavier import duty on raw materials which are used in the manufacture of healds and reeds and the lower import duty on finished articles. The import duty on finished healds is 10%, while the duties on constituent materials are as under :—

Heald yarn	25%
,, varnish	25%.

The imported duty on imported reeds is 10 per cent, while the duties on the constituent materials are as under :—

Reed pitch	25%
,, ribs	25%
,, brass wire	20%
,, staples	20%
,, paper	20% (British)
,, ,,	30% (Foreign)

From a perusal of these figures it will be clear that the local healds and reeds manufacturing industry suffers from a very severe handicap owing to this inequality in respect of tariff treatment.

6. My Committee have now briefly stated the case for the removal of the inequality in respect of tariff treatment for the healds and reeds industry. This industry is directly linked to the premier Indian national industry, viz., the Indian textile industry. With the increasing demand for Indian made piece-goods, it is but natural that the Indian mill industry should expand, and with it the demand for mill stores like healds and reeds. Here again, preference should naturally go to healds and reeds manufactured in India over the imported ones, and if there are any handicaps in the way of the Indian textile mills making a greater use of the Indian healds and reeds, these should immediately be removed by the Government of India. Government can either raise the duty on imported healds and reeds to 25 per cent., or reduce the import duty on materials listed above to 10 per cent., and thus assist the local manufacturers of healds and reeds. It must be stated, however, that any suggestion to increase duties on imported heads and reeds is likely to be oppposed by the textile industry which would be directly affected by this rise; the only alternative then left would be to lower the duty on imported raw materials, and my Committee do not think that any objection would be taken to the adoption of this latter course.

7. My Committee have set out the main arguments for the removal of the tariff inequality which the manufacturers of healds and reeds are subjected to at present. They have also suggested the steps which the Government of India might take

to remove the same. If the Government of India so desire, this representation may kindly be forwarded to the Tariff Board for a proper investigation of this case at an early date. My Committee hope, in conclusion, that in view of the importance of the matter, the Government of India will arrive at an early decision thereon.

APPENDIX 45.

Enhancement of Export duty on Tea.

Letter No. 57-T (1) *dated 27th July* 1933 *from the Government of India, Commerce department, to Chamber.*

I am directed to inform you that the Indian Tea Cess Committee after consulting tea interests in both Northern and Southern India have suggested that the rate of cess leviable on Indian tea exported to any port beyond the limits of British India or to Aden should be raised from annas six to annas eight per 100 lbs. The Committee explains that while the object underlying the proposal is to raise additional funds to enable propaganda work in America, the United Kingdom and India to be carried on to the fullest possible extent, the immediate necessity for the increase proposed arises as a direct result of the tea restriction scheme the effect of which is to reduce considerably the income derived from the cess. Before giving effect to the proposal the Government of India would be glad to know whether your Chamber/Association had any objections to raise. If no reply is received by the 15th August it will be assumed that your Chamber/Association concurs in the proposal.

Letter No. 2180 *dated 12th August* 1933, *from Chamber to Government of India.*

I am directed to acknowledge receipt of your letter No. 57-T (1), dated 27th July, 1933, on the above subject, and to say in reply as under :—

My Committee are opposed to the proposed increase in the rate of Customs duty from six to eight annas on every 100 lbs of tea exported from India. While they appreciate the value of propaganda for purposes of any industry, they do not think

that in an article like tea much is likely to be achieved by such propaganda in foreign countries, where the tastes and habits of the people incline them to other drinks and other kinds of tea. China tea, for instance, still holds a market in Britain. All the publicity of the Cocoa interests has not been able to open any appreciable market for their product in India. The greater part of Europe and America still drinks Coffee. Along with Britain, Russia was once a large consumer of Indian tea, and it is a matter of regret that exports to that country have fallen from 29,614,000 pounds, the prewar average, to 2,857,000 pounds in 1932-33.

In any case, whatever the value of propaganda, in the opinion of my Committee, an industry, like the tea industry, which is highly and efficiently organised, should be able to carry on its own propaganda for its own purposes without any State intervention. Moreover, whereas Ceylon holds, next to India, a large foreign market in tea, the duty will have to be borne by the producer, unless Ceylon too imposes a similar export duty. That being so, my Committee fail to understand why the Indian tea interests should call upon Government to tax them further and with the proceeds help them in their own business. Surely they should be in a position to do their own pushing with their own monies. Further, if the State is to take upon itself the obligation of pushing in some way an industry's markets, and if it does so in the case of Indian tea, then why not in the case of Indian Rice, Indian Wheat, Indian Hides, Indian Seeds, in fact, so many other products, Indian ? My Committe, therefore, see no reason why Government should impose the proposed additional duty on tea for the purpose referred to.

APPENDIX 46.

Protest against the Continuation of the 18d. sterling ratio.

Letter No. 2771 *dated 2nd November* 1933 *from Chamber to Government of India, Finance Department.*

I am directed by the Committee of this Chamber to address the Government of India in regard to the question of ratio as under :—

My Committee are in agreement with the objects of the Currency League of India, viz. to oppose the continuation of the present 18d. sterling ratio, as is sought to be done through the Reserve Bank of India Bill and to bring about an immediate devaluation of the Rupee. This is a question on which there is much common ground between the Indian and the European commercial communities in the country. My Committee are strongly of opinion that time has now arrived when Government should review the whole position in regard to the ratio. They, therefore, beg to urge that immediate steps be taken in this direction so that the present inflated Rupee may be devalued and the ratio be fixed in the best interests of agriculture, trade, commerce and industry of the country.

APPENDIX 47.

Interview with Khan Bahadur J. B. Vacha, offg. member, Central Board of Revenue.

Notes of discussion at the interview on Friday, the 14th July 1933 at 2-30 p.m. (S.T.)

1. The discussion opened with the suggestion recommending an amendment of the Indian Income-tax Act so as to provide for a set-off of business losses in any one year against profits of six subsequent years as in England. Several members present emphasised the necessity for such a provision in the Act as it was long overdue.

Khan Bahadur Vachha in reply observed that the question of allowing a set-off on account of past business losses had already been fully considered by Government but that on account of the present financial situation, final decision had to be postponed.

2. With regard to the complaint re: collection of tax and issue of penalty notices while the matter was in appeal, the Officiating Member observed that the Central Board of Revenue had already issued orders in this connection which were embodied in paragraph 91 of the Instructions on p. 238 of the Income-tax

Manual. Some members suggested that the instructions given therein might be made clearer as too much emphasis was laid therein on collection of the undisputed portion and not on the postponement of the collection of the disputed portion. Khan Bahadur Vachha undertook to see to this.

3. With regard to the complaint re: interference on the part of Assistant Commissioners with regard to assessments by Income-tax Officers before a notice under section 29 was sent out to the assessee concerned, Khan Bahadur Vachha observed that the same seemed to him to be imaginary and not real. As a matter of fact, he added, in the year 1927, at the instance of the Central Board of Revenue itself, definite orders were issued in the matter to prevent any such interference. As regards the Commissioner of Income-tax, he said that subject to the provisions of section 33, he had to look into the progress of assessment work and keep himself personally in touch with what was going on in Income-tax Offices.

4. With regard to provision for depreciation on Talkie machines, Khan Bahadur Vachha observed that in case the rate of depreciation admissible at present was insufficient, those interested in the matter may approach the Central Board of Revenue with facts and figures as to what the prescribed percentage should be. Some members stated in this connection that in England 25 per cent. was allowed for depreciation on Talkie machines.

5. With regard to liability under section 44 of partners of a discontinued firm or partnership, members present pointed out that there were several cases in which even though a business was discontinued, the firm was assessed which often resulted in a summary assessment under section 23 (4) for default. They added that in such cases the proper course was to assess the partners individually. Khan Bahadur Vachha explained that the practice was to issue notices in the name of the firm with a view to prevent any of the late partners thereof from attempting to escape liability and after reserving them on a partner to take further proceedings. It was also pointed out that even a summary assessment would not be legal until the notice under section

22(2) was properly served on a partner, and that therefore there could not be any such thing as a summary assessment without hearing any one, which was the gist of the complaint. It was also pointed out that the trouble was that at times none of the partners would think it his business to accept the notice sent and then of course an assessment had to be made taking the refusal to accept the notice as equivalent to proper service.

6. Referring to a recent decision of the Bombay High Court re: assessment of the statutory agent of a non-resident who happened to be a Prince, a member enquired under what provisions the agent was not assessed to super-tax. Khan Bahadur Vachha observed that no information as regards any individual case can be given out under section 54 of the Indian Income-tax Act.

7. With regard to the complaint re: the procedure in the case of assessments under section 23 (4), Khan Bahadur Vachha observed that he had noticed Income-tax Officers giving as many as five appointments before using their powers under section 23 (4) and that nothing more could possibly be done.

8. With regard to the question re : rejection by the Commissioner of appeals in anticipation of the decision of the Court of Referees to be established as per Sir Hari Singh Gour's Bill, the Officiating Member observed that it was premature to say anything as the question of appointment of the Court of Referees was itself still under consideration.

9. With regard to the complaint re: supply of copies of Assessment Orders and Appellate Orders, Khan Bahadur Vachha agreed to consider the question of supplying copies of appellate orders free of cost too. As regards assessment orders, their copies were already being supplied free of cost.

With regard to the stamp duty required for copies of Appellate Orders Khan Bahadur Vachha observed that he could not do anything in the matter as the question of stamp duty of this kind was a Provincial one.

10. With regard to a double depreciation allowance for machinery running double shift, Khan Bahadur Vachha referred

to the divergent opinion in the commercial community on the question and stated that it is not intended to take further action in the matter.

11. The next question discussed referred to assessment on estimated profits on purchases made in British India when sales were made outside it. It was pointed out that as per the decision of the Rangoon and Calcutta High Courts, this was permissible and that if any one wanted to contest such a liability, he had better call for a reference to the Bombay High Court.

12. With regard to the suggestion that the system of charging registered firms wishing to go in appeal at the maximum rates should be discarded, Khan Bahadur Vachha pointed out that in all cases where returns of partners were put in before the Income-tax Officer passed his assessment order, the Assistant Commissioner or the Commissioner, after the case was decided by either of them allowed an assessment on partners individually instead of the firm if that was permissible under the instructions issued in the Income-tax Manual.

13. As regards double super-tax, it was suggested that Government should consider the advisability of allowing, while levying super-tax on income from dividends from Companies, a deduction on account of the amount of super-tax paid at source. The Member agreed to place the suggestion before the Government.

14. Another question related to realisation of income-tax on deposits by persons in Native States with merchants in British India. It was pointed out that the Income-tax Office collected tax on such deposits and merchants in British India found it difficult to recover the tax paid by them from their non-resident depositors. Khan Bahadur Vachha observed that under the Bill before the Legislative Assembly, merchants in British India would be empowered to deduct tax at source on payments of interest exceeding Rs. 30,000. With regard to payments under this sum, however, no such provision was made.

15. One member enquired whether when instead of keeping separate accounts of depositors, a joint account was kept in the account books, tax would be levied by the Income-tax Officer

on the total interest paid as per the joint account, even though the necessary explanation was given. It was pointed that if the Income-tax Officer was satisfied that interest was paid not to one party but to several persons, he would be bound to levy tax accordingly.

16. Regarding the complaint about the Income-tax Department taking down names of depositors, it was pointed out that under the Bill before the Legislative Assembly, every one would be required to give a list of persons to whom interest above a certain limit was paid in a year.

Letter No. R. Dis. 552 (1). 1-*T*/33 *dated* 17*th October from the Central Board of Revenue to Chamber.*

In the course of the interview which your Chamber had with the Member, Central Board of Revenue in July last, the latter agreed to consider the question of supplying to the assessees copies of appellate orders free of cost and also to place before Government your suggestion that while levying super-tax on income from dividends from companies a deduction on account of the amount of super-tax paid by the Company should be allowed. I am directed to inform you that the Board has since issued instruction to the Commissioners of Income-tax that, as soon as an order is passed on appeal, a copy should be supplied to the assessee free of cost for his own private use. As regards the second suggestion, I am directed to say that Government are unable to accept it.

Letter No. R. Dis. 552-1. *T*/33 *dated* 4*th January* 1934 *from the Central Board of Revenue to Chamber.*

In my letter quoted above, it was stated that the Board had issued instructions to the Commissioners of Income-tax that as soon as an order is passed on appeal, a copy should be supplied to the assessee free of cost for his own private use. On reconsideration the Board has decided that the procedure for the supply of appellate orders should be the same as with assessment orders, copies of which are supplied to the assessees, free of cost on application only. The Board has therefore modified its instructions to the Commissioners of Income-tax accordingly.

APPENDIX 48.

Amendment of the Indian Income-tax Act (Sir Hari Singh Gour's Bill.)

Letter No. 1988-*F dated* 18*th October* 1932, *from Government of Bombay, Finance Department, to Chamber.*

I am directed to forward a copy of Government Resolution No. 1988 dated 18th October 1932 with two spare copies of its accompaniments (not reproduced) and to request the favour of the opinion of your Chamber on the subject as early as possible and in any case *before the* 1*st December* 1932 *at the latest.*

Letter No. 38 *dated* 5*th January* 1933 *from Chamber to Government of Bombay, Finance Department.*

With reference to your letter of the 18th October, 1932, No. 1988-F, I am directed to send you hereby the views of my Committee on the above Bill as under :

There appears to be two main objects in view before the sponsors of the Bill, viz. (1) some measure of popular control over all assessments, and (2) an appeal should lie to an authority unconnected with the assessment. The Bill appears to be of a halting nature inasmuch as it does not suggest the method of assessment laid down under the English Income-tax Act *in toto* ; it presumably also disregards the suitability or otherwise of the method of assessment suggested in view of the situation prevailing in India ; and it overlooks the consequences that are likely to result, viz. heavy costs, delay in assessment and collection of taxes, if the procedure suggested is approved without some modification.

The Royal Commission on Income-tax in Great Britain in 1920 entirely disapproved of the machinery in vogue at present under the British Income-tax Act, and considered the same as antiquated and not suitable to present conditions. The Commissioners were of opinion that purely formal sanction of the General Commissioners at different stages of the assessment hampered the speedy administration of the Law. The General Commissioners appointed under the English Income-tax Act are

unpaid body of men with many other activities and it naturally comes to pass that the duties and acts they are called upon to perform under the provisions of the Act are in fact performed with sanction by the inspectors of taxes.

There are at present two appeals provided for, (1) under section 30 to the Assistant Commissioner, and (2) a right of revision to the Commissioner under Section 33. The assessee who is not satisfied with the order of the Assistant Commissioner may ask for a reference to the Court on the questions of Law under Section 66 (2) of the Act.

My Committee are of opinion that some measures of popular control over income-tax assessments is necessary, though it is very difficult to lay down what sort of popular control is necessary, and in what manner the popular control should be established. Taking into consideration all the factors, my Committee are inclined to suggest that an appeal, on questions of law as well as facts, from the decision of the Assistant Commissioner should be allowed to the Board of Referees, which is there at present under Section 33 A. At present Section 33 A provides for the machinery for appeal, in case of assessments levied under Section 23 A only, and the same would answer the objections to the present method of assessment raised by the author of the Bill, if it is made applicable to all assessments under Section 23 of the Act with a little modification as suggested later on. My Committee are not in favour of allowing an appeal from the decision of the Income-tax Officer at the initial stage of the assessment to the Board of Referees, as this is likely to cause not only annoyance to the assessee, but would delay the disposal of the assessment and will entail heavy cost to him which would be quite disproportionate to the amount of demand involved in each case. The appeal to the Board of Referees from the decision of the Assistant Commissioner should go through the Commissioner which will thus serve the purpose of reference for which there is a provision in the present Act. The Commissioner may then, if he likes, decide in favour of the applicant, in which case there will be no necessity for going to the Board of Referees. If, however, the Commissioner does not accept the reference, the appeal will lie to the Board of Referees. A further provision should be

made for a reference to the High Court, under Section 66 (2), against the decision of the Board of Referees.

The Board of Referees should have on its panel men with business experience and expert knowledge of Income-tax Law and Procedure, as also of accounts and of law.

Letter No. 251/33 *dated* 13*th July* 1933 *from Government of Bombay, Finance Department to Chamber.*

I am directed to forward a copy of Government Resolution No. 251/33 dated 13th July 1933 with two spare copies of its accompaniments and to request the favour of the opinion of your Chamber on the subject as early as possible and in any case before the 5th August 1933 at the latest.

Letter No. C No. 74 1-*T*/31 *dated* 28*th June from the Central Board to all Local Governments.*

With reference to the debates in the Legislative Assembly on the above Bill on 2nd February last, I am directed to forward herewith copies of the Bill and the enclosed extracts from the speech in the Legislative Assembly of the Hon'ble the Finance Member, Sir George Schuster, as regards the setting up of final Tribunals of Appeal on questions of fact and law pertaining to Income-tax assessments and to request that the Governor in Council will favour the Government of India in this Department with an expression of his opinion as regards the proposed Tribunals (and with the opinions of the Hon'ble Judges of the High Court and of such selected officers and other persons as the Governor in Council may think fit to consult on the subject.

2. I am further directed to enclose herewith a specimen scheme for the institution of Tribunals of this kind. The Government of India are in no way committed to it and propound it only as the basis of a free discussion.

3. In the Notes on Clauses attached to the Bill as introduced, the English law and practice have not been correctly stated and I am directed to point out that the Special Commissioners and the Commissioners of Inland Revenue referred to in the Notes on Clauses are not, as stated against Clause 2 therein, "an

independent body of patriotic citizens" doing income-tax work as non-officials. They are whole-time salaried Government officers. Only the General Commissioners are non-officials but the English law allows as regards assessments of income from business, profession or vocation and certain other kinds of income, and appeal from an assessment made by the non-official body of General Commissioners to the Special Commissioners who are officials. The decision of the Special Commissioners on questions of fact is final in such cases. A reference to the High Court is allowed only on questions of law. It is incorrect to speak of "three appeals against an assessment—first to the Special Commissioners, secondly to the Recorder or County Court Judge and thirdly to the High Court" as stated in the last part of the Notes on Clauses. It has been thought desirable that these facts should be stated lest there should be any misconception to the effect that the omission of non-officials from the scheme outlined for discussion represents any serious departure from the arrangements in force in the United Kingdom.

4. I am directed to request that the reply to this letter may, if possible, be sent by 1st September, 1933.

Extracts from the speech in the Legislative Assembly delivered by the Hon'ble Sir George Schuster on the Indian Income-tax (Amendment Bill, introduced by Sir Hari Singh Gour.

Now, there is one opinion among those which we have received—the opinion of the Bombay Society of Accountants and Auditors—which makes a proposal which I am willing to say that Government would be prepared sympathetically to consider. It is a proposal for the constitution in each province of a final tribunal of appeal. The suggestion is that there should be a tribunal in each province to be composed of three referees only, two referees being of the rank of High Court Judges and the third referee being of the rank of the Commissioners of Income-tax. The opinion goes on as follows :—

"The referees should be appointed, transferred or removed only by the Secretary of State in Council on the recommendations in that behalf of the Chief Justice of the High Court of the province concerned. The tribunals thus composed

shall be judicial bodies specially meant for adjudicating upon all questions of facts and law arising from the Income-tax Act and they shall not be under the control of the Central Board of Revenue, but shall be under the control of the High Courts of the respective provinces or under the Supreme Court in India whenever the same is established. Any proceedings before the proposed tribunals shall be deemed to be judicial proceedings under the law of the land."

Now, there are a great many points in that particular proposal which would of course require very careful consideration. There are many details of those provisions which I should not be prepared now to say that we should accept in an unqualified way, but the main idea is that there should be this final tribunal of appeal, a tribunal composed not of laymen but of highly qualified individuals. Now, if the feeling of the House were that that is the sort of measure which they require and that the constitution of tribunals of this kind would give them that sort of outside check on the operations of the income-tax officials, then, as I have already said, I think the Government would be prepared sympathetically to consider a proposal on those lines. There is one other point which I must make absolutely clear and that is that if the Bill were to be so altered from its present shape as to be transformed into Bill for setting up these final tribunals then we feel very strongly that it would again have to be circulated for opinion. We feel that it would be absolutely essential that the High Courts, for example, should have an opportunity of expressing their opinion on the matter. There are many technical questions involved, particularly as regards the relations between these tribunals and the High Courts and we could not possibly commit ourselves to supporting the Bill without ample opportunity being given for further expression of opinion.

There are, moreover, certain points which do not appear to have been quite clearly understood in what I said. I said that the Government were prepared to give sympathetic consideration to a proposal made in one of these opinions, the proposal made by the Indian Society of Accountants and Auditors of Bombay. That proposal, as I thought I made it clear to the House,

provided for the setting up of tribunals which would form ultimate tribunals of appeal, but it did not involve making any alteration in the present procedure by which cases would be heard until they came up to the Commissioner. The appeal to the tribunal would lie through the Commissioner and, before that stage was reached, the same procedure would be carried on as is now carried on. All that would happen is that there would be recourse to an ultimate court of appeal.

Tribunals of Appeal—Income-tax Assessments—Specimen Scheme.

1. The present provisions in the Income-tax Act (XI of 1922) as regards assessments, appeals to Assistant Commissioners and Commissioners and revision of assessments by Commissioners will remain as they are.

2. Any person who is not satisfied with the final decision of the Department may appeal to the Tribunal of Appeal on questions of fact as well as law. The appeal will be submitted through the Commissioner of Income-tax and will be accompanied by the prescribed fee.

3. The Tribunal of Appeal will be a highly competent body of experts in the interpretation of general law and the highly technical subject of Income-tax. It will be an entirely independent body consisting of three Referees subordinate neither to Government nor to High Courts nor any one else.

4. To secure the above end, of the three Referees, two will be selected from amongst persons who have worked as Judges of any of the High Courts of Judicature in India and one will be selected from persons who have worked as Commissioners of Income-tax for not less than three years.

5. The pay of the two Referees selected from High Court Judges will be kept sufficiently high to make it attractive for them to severe their connection with the High Court and serve permanently on the Tribunal.

6. The rules for the appointment, removal, retirement leave, etc., in the case of these Referees will be, as far as possible, on the lines of the rules applicable to High Court Judges.

7. References on questions of law under Section 66 of the Act which at present lie to the High Court will, on the formation of the Tribunals, lie to them and the High Courts will be relieved of this extra work which at times takes a considerable part of their valuable time.

8. The Tribunal will adjudicate both on questions of law as well as fact. Its decision as regards questions of fact will be final. As regards questions of law decided on a reference under Section 66 of the Income-tax Act, an appeal will lie to the Privy Council as at present.

9. As regards the procedure to be followed in the matter of hearing income-tax appeals, the Tribunals will frame their own rules.

10. It is thought probable that two such Tribunals will suffice for the whole of India.

Letter No. 2112 *dated 7th August* 1933 *from Chamber to Government of Bombay, Finance Department.*

In continuation of this Office No. 1937, dated 14th July 1933 (acknowledgment) I am directed by the Committee of this Chamber to send their views hereby on the above subject :

When the above Bill was first referred to my Committee in January last, they supported the main object of the Bill, viz. appointment of independent Tribunals to supervise the assessment work of the Income-tax Offices and to decide on questions of Law and facts in regard to the same. They have now carefully considered the specimen Scheme proposed by the Government of India regarding the composition of such Tribunals, and are generally in agreement with the same. With regard to the formulation of Rules and the procedure to be followed by the proposed Tribunals in the matter of hearing Income-tax appeals, my Committee would like to submit that the Indian commercial community should be given an opportunity to express their opinion before such rules were finally made by the Tribunals.

APPENDIX 49.

Indian Income-tax (Second) amendment Bill :

Letter No. 1988/*F dated* 27*th October* 1932 *from Government of Bombay, Finance Department to Chamber.*

(*For Copy of Bill please refer to Gazette of India-September* 1932)

I am directed to forward a copy of Government Resolution No. 1988 dated 27th October 1932 (not reproduced) with two spare copies of its accompaniment and to request the favour of the opinion of your Chamber on the subject as early as possible and in any case *before the* 1*st December* 1932 *at latest.*

Letter No. 85 *dated* 7*th January* 1933 *from Chamber to Government of Bombay.*

I am directed to refer to your letter of the 27th October, 1932, No. 1988/F., and in reply to send to you hereby the views of my Committee on the Indian Income-tax (Second) Amendment Bill.

My Committee note that the Bill is designed to (1) prevent evasion of taxation and (2) remove various defects in the existing law. My Committee have considered the Bill clause by clause, and indicate below their comments on some of them. With the remaining provisions of the Bill they are in general agreement.

Clause 6 : My Committee are afraid that the additional provisions, viz., 3(a) and 3(b), under sub-clause (b) of the Amending Bill, empowering the Income-tax Officer to require deduction of tax at source, when that is payable by an assessee who is liable to super-tax from interest payments other than "interest on securities," are not practicable. The same will create complications in respect of investments from Native States. They are, therefore, opposed to these additional provisions.

Clause 7 : The amendment seeks to give the sanction of law to the practice complained of frequently of income-tax authorities, requiring from assessees information about deposits

received by them. Such fishing enquiries by Income-tax Officers had caused a good deal of resentment among the commercial public, and it is feared that such a provision would tend to scare away private deposits, with the result that commerce and industry would be further crippled in regard to its financial resources. My Committee are already in correspondence with the Central Board of Revenue on this question, and they take this opportunity of reiterating here their objection to this questionable procedure.

Clause 9 : Among other things, under this clause, provision is sought to be made enabling the assessment of a dead man's income. My Committee are not agreeable to this new feature of taxing a dead man's income, and would prefer the present position in this regard being continued. Consequently they must also oppose all the sub-provisions relating to the modus operandi of assessing a dead man's income. In their opinion, therefore, this portion of the Bill requires to be amended, in so far as it relates to the assessment of a dead person's income.

Clause 15 : The word "declaration," in sub-clause (a) (ii) be substituted by the word "receipt." The object of the change is obvious. The rate applicable might change between the time of declaration of a dividend and the time the same is actually received by the assessee.

Clauses 19 & 20 : Provide for the punishment of failure to make a return, or for making a deliberately wrong return under clause 7, referred to above, viz., interest paid on deposits. My Committee have already stressed their opposition to the provision for furnishing such a return. Consequently these sub-clauses need to be deleted. However, they wish to add that even if clause 7 of the Bill came to be accepted, the punishment proposed in clauses 19 and 20 is rather very severe.

APPENDIX 50.

Municipal Town duty on foreign Cotton.

Letter No. 1391 *dated* 12*th May* 1933 *from the Bombay Municipality to Chamber.*

I have the honour to inform you that the Municipal Corporation of Bombay have referred to their Law, Revenue and General Purposes Committee for consideration and report the question as to whether Government should be moved to amend the Municipal Act so as to impose Town Duty on all cotton imported into the City from foreign countries. In connection with this question the Committee have also before them a report from the Municipal Commissioner as well as representations from the East African Cotton Merchants' Association, the Bombay Chamber of Commerce and the Bombay Port Trust pointing out how the imposition of a duty on foreign cotton imported into the City would have an adverse effect on the import trade of Bombay. At their meeting held on the 1st May 1933, at which the aforesaid question and the communications thereon were considered, the Committee decided that further consideration of the papers be postponed and that in the meantime the views of certain Associations connected with the City's trade might be obtained and placed before them. I am accordingly desired by the Committee to request that you will be so good as to forward to me at your early convenience the views of your Chamber on the question for being placed before the Committee. I am further desired by the Committee to inform you that the Committee will also be glad to discuss the question further with your representatives at a meeting of the Committee, the day and time of which will be communicated to you in due course.

2. Copies of papers on the question before the Committee are forwarded herewith for your information. (Refer file No. 79 of 1933).

Letter No. 1735 *dated* 20*th June* 1933, *from Chamber to the Municipal Secretary.*

With reference to your letter No. 1391, of the 12th May 1933, and in continuation of my letter No. 1293, of the 15th idem,

(acknowledgment) I am directed by the Committee of this Chamber to send to you hereby their views on the proposal before the Bombay Municipality to levy Town Duty on imported foreign raw cotton.

On the occasion of this reference, my Committee would like to take the opportunity of calling the attention of the Bombay Municipality to the question of the present Town Duty on Indian cotton coming into the City of Bombay. They have always felt that this imposition has proved a great burden on the cotton trade and the textile industry of Bombay. This imposition was levied in 1921, with a view to meet the necessary expenditure involved in the project to provide cheap and hygenic living facilities to the working classes of Bombay by building chawls at Worli. It is well-known that the main objective for the imposition has singularly failed inasmuch as an overwhelming percentage of the chawls thus built still remains unoccupied. My Committee stress this point to show that this imposition has not only failed, on the one hand, to achieve its fundamental purpose, but has also, on the other hand, been instrumental in materially diverting the cotton trade of the City to other Ports. The report recently submitted by the Municipal Commissioner to the Committee appointed by the Corporation to consider the question of the proposal to impose a Town Duty on imported foreign raw cotton, contains some telling figures in regard to the ever-growing costliness of the Port of Bombay. It is hardly necessary to point out that this unfair impost on Indian cotton has been instrumental in diverting a considerable quantity of Indian cotton for export via Karachi and Kathiawar Ports ; because this impost of Re. 1/- per bale alone increases the cost of handling cotton in Bombay by Rs. 100/- per 100 bales. My Committee are aware that the Port charges of Bombay and the other handling charges have a disastrous effect on the cotton trade of the City. But it cannot be gainsaid that the impost of Re. 1/- Town Duty per bale has also considerably added to the costliness in handling of cotton in Bombay. The Commercial Associations of the City, such as the Bombay Mill-owners' Association, the Chamber of Commerce, the East India Cotton Association and this Chamber, have time and again expressed their emphatic opinion that unless and until substantial relief

from the various impositions is given to the trade, the privileged position of the Port of Bombay will be,—as already it has begun to be,—seriously challenged by other Ports. Under these circumstances, my Committee are of opinion that immediate steps should be taken to have this unfair and heavy import of Town Duty on Indian cotton coming into the City of Bombay removed and to accord to the trade of the City the much-needed relief.

My Committee would now express their views in regard to the question under reference, viz. proposal to levy Town Duty on foreign raw cotton imported into the City. As it is, the cotton trade of Bombay is handicapped by heavy Port and other handling charges. Over and above this, the imported foreign raw cotton is subjected to an import duty of one half anna per lb., which works out to Rs. 12 1/2 per bale of 400 lbs. The proposal now before the Corporation to levy a Town Duty of Re. 1/- per bale, in addition to the various imports, would, in the opinion of my Committee, prove a great handicap to the already overtaxed cotton trade and the textile industry of the City which is using imported cotton of long staples for mixture purposes and also to turn out finer count goods to compete with Lancashire and Japanese goods which are imported here. These fine count goods are manufactured from cotton imported from Africa, Egypt and America, which already bears an import duty of 1/2 anna per lb., which goes to nullify the import duty on cloth imported from the abovenamed countries and hence the proposal to add another Rupee per bale will act as a last straw to break the camel's back, and would certainly adversely affect the Port of Bombay as well. My Committee are, therefore, strongly opposed to the proposal now being considered by the Bombay Municipal Corporation. They trust that the Corporation will carefully consider the views as expressed by them, both in regard to the present Town Duty on Indian cotton coming into the City and foreign raw cotton imported into Bombay.

As desired in the last portion of your letter, my Committee have nominated the following gentlemen to discuss the proposal with the Committee appointed by the Corporation :—

1. Manu Subedar, Esq.,
   Kodak House, Hornby, Road, Fort, Bombay.

2. Professor Khushal T. Shah,
,, Madhav Nivas, 8, Labournum Road, Gamdevi,
Bombay 7.

3. Chunilal B. Mehta, Esq.,
51, Marwari Bazar, Bombay, 2.

4. Purshotam Jivandas, Esq.,
Messrs. Ramdas Khimji & Co.,
Albert Bldg., Hornby Road, Fort, Bombay.

I shall thank you to let me know the date and time on which your Committee will be considering the matter.

Letter No. 1776 *dated* 27*th June* 1933 *from Chamber to the Bombay Municipality.*

In continuation of my letter No. 1735, dated the 20th June 1933, I am directed to inform you that Raja Bahadur Govindlal Shivlal will also represent my Committee over and above the four gentlemen, whose names were forwarded to you with the above letter, for discussing the question of imposition of Town Duty on foreign raw cotton imported into the City with the Committee set up by the Municipal Corporation.

III. TRADE, INDUSTRIAL AND LABOUR LEGISLATION.

APPENDIX 51.

Importation of Cotton Piecegoods from U. K. without any marks.

Letter No. 501 *dated* 13*th February* 1933 *from Chamber to Government of India Commerce Department.*

Recently the attention of my Committee has been drawn to a consignment of *Saris* imported from the United Kingdom into Calcutta without the name of manufacturers, as also without the stamp "Made in England." A sample of this consignment, as well as a sample of similar saris, both in design and texture, manufactured locally in India, is sent under a separate registered cover for the purpose of comparative inspection by Government.

The imported stuff contains some marks in Bengali and there is absolutely nothing to show that the stuff is imported and not locally manufactured.

In this connection, my Committee beg to draw the attention of Government to Note 3 to Section 33 of the Merchandise Marks Manual, wherein it is provided that "in particular cases, however, where there is good ground for considering that the use of such plain ticket designs is specially designed to convey the impression of Indian origin, they should be considered to be false trade description."

It may be pointed out that a similar case of *Dhoti* consignment occurred in 1922, to which my Committee had drawn the attention of the Collector of Customs, Bombay, and the Government of India, Department of Commerce. Both the Collector of Customs, Bombay, and Government then agreed that "these piecegoods certainly gave the impression that the goods had been manufactured in India," (vide your Department Letter No. 5750 dated Delhi 1st November, 1922).

My Committee feel strongly that time has now come either to see that the relevant provisions of the Merchandise Marks Manual, regarding the 'false trade description,' are much more vigilantly and effectively put into force, and, if the same are found inadequate or ineffective, Government should immediately arm themselves with necessary powers to put a stop to the importation of such piecegoods which may give a wrong impression by virtue of their defective or insufficient marking, or the absence of any markings that the same have been locally manufactured.

My Committee will be glad to be informed about the stesp Government contemplate taking in the matter.

The samples may kindly be returned after inspection.

Letter No. 332-*T* (2)/33 *dated* 25*th September* 1933 *from Government of India to Chamber.*

With reference to your letter No. 501, dated the 13th February 1933, on the subject noted above, with which you forwarded a pair of cotton saris, one made in India and the other imported from the United Kingdom, I am directed to say that as explained in the letter from this Department No. 5750, dated the 1st November 1922, the marking of the country of origin on imported goods is not generally compulsory under the Indian Merchandise Marks Act. It is only compulsory when the trade mark or other mark on the goods would raise a supposition that such goods were the product of some country other than that in which they were actually made.

2. The imported sari has affixed to it a ticket bearing the figure of a lion with the words "Mighty Lion" printed underneath in Bengali without a counter indication of origin. Enquiries made by the Government of India go to show, however, that the importation of saris bearing similar tickets has not so far been noticed by the Customs authorities at Calcutta and it appears probable that they are imported without the tickets and that the latter are affixed after importation into this country. But assuming that the saris are imported with the tickets in question, it is doubtful whether the use of English words in Bengali

characters on goods made in the United Kingdom can be regarded as objectionable. The illustrations in Note (2) to paragraph 33 of the Merchandise Marks Manual suggest that action should be restricted to expressions definitely indicating local origin, either by association (as with slogans) or by reference to places, etc., in India. In the present case objection could more appropriately be taken to the make up and design which resemble closely those of the locally manufactured sari.

3. The samples of saris are returned herewith.

Letter No. 2563 *dated 9th October* 1933 *from Chamber to Government of India.*

I am directed to acknowledge the receipt of your letter of the 25th September, 1933, No. 332-T (2)/33.

My Committee may be allowed to point out that this is not the first instance of its kind. Some years back, my Committee had occasion to point out a similar instance to Government, as will be seen from the correspondence enclosed herewith. What my Committee want to point out is "that Section 10 of the Indian Merchandise Marks Act is responsible for such loop-holes, as it explicitly exempts goods made in the United Kingdom from having any marks of origin. Even with regard to goods from other countries, such marks are required only when there is manifest any object of cheating or misleading regarding the country of origin. My Committee consider that such a provision is extremely defective, and that time has now come, when the section should be amended, so as to provide for all imported goods showing their country of origin. This can be secured by a small Amending Bill, which my Committee have prepared, and which is being sent herewith to you. It is hoped that Government will be pleased to approve of the suggestion of my Committee, and that they will, at the next session of the Legislative Assembly, move the Amending Bill in the Assembly.

APPENDIX 52.

Indian "Khaddar" (name protection) Bill.

Letter No. 51/33-D dated 17th March 1933 from the Government of Bombay, Finance Department to Chamber.

I am directed to forward a copy of Government Resolution No. 51/33-D dated 17th March 1933 (not reproduced) with two spare copies of its accompaniments and to request the favour of the reply of your Chamber as early as possible, and in any case before 1st July 1933 at the latest.

(As introduced in the Legislative Assembly).

A

BILL

TO

Provide for the protection of the names "Khaddar" and "Khadi" used as trade description of cloth spun and woven by hand in India.

Whereas the names "Khaddar" and "Khadi" have come to mean cloth which is spun and woven by hand in India;

And whereas it is desirable to protect the said names

It is hereby enacted as follows:—

Short Title.

1. This act may be called the Indian "Khaddar" (name protection) Act 1933.

Definition of "Khaddar" & "Khadi."

2. In this Act, "Khaddar" and "Khadi" mean cloth which is spun and woven by hand in India.

Use of the name "Khaddar" and "Khadi" as trade descriptions on cloth.

3. The names "Khaddar" and "Khadi," whether in English or in any Indian vernacular language as exclusively signifying cloth spun and woven in India by hands, shall be deemed to be trade descriptions within the meaning of the Indian Merchandise Marks Act 1889.

IV of 1889.

STATEMENT OF OBJECTS AND REASONS.

Considerable progress has been made in recent years in reviving and popularising as a cottage industry spinning and weaving by hand as a supplementary occupation among the agriculturist population of this country, who stand in need of an additional source of income. Such progress as has been achieved is very largely supported by the patriotic impulse of the poorer and well-to-do classes who are purchasing Khaddar or Khadi even at a sacrifice. The situation is sought to be taken advantage of by manufacturers of spurious Khaddar both in India and abroad, and purchasers have been frequently misled to the detriment of what might easily become a great national industry. The Bill, therefore, seeks to extend the protection afforded by the Merchandise Marks Act 1889, to the names of "Khaddar" and "Khadi" which have come to denote handspun and handwoven cloth only. The exclusive use of these terms for this cloth cannot prejudicially affect bona fide producers or distributors of any other variety of cloth.

Letter No. 946 *dated* 29*th March* 1933 *from Chamber to Government of Bombay.*

With reference to your letter No. 51/33-D, dated the 17th March 1933, on the above subject, I am directed to convey to you hereby the support of my Committee to the abovementioned Bill.

APPENDIX 53.

Legislation for the prompt settlement of Life Assurance Claims.

Letter No. 9793/*F dated* 10*th October* 1932 *from the Government of Bombay, Finance Department to Chamber.*

I am directed to forward a copy of Government Resolution No. 9793 dated 10th October 1932 with its accompaniments and to request the favour of the opinion of your Chamber on the subject as early as possible.

RESOLUTION:—Copies of the letter from the Government of India together with its accompaniments should be forwarded for favour of opinion to the Chief Justice and the Indian Marchants' Chamber.

2. The officers, Chambers and Assolations should be requested to forward their replies *in duplicate* to this Government as early as possible.

Letter from the Government of India, Department of Commerce, No. 375-I dated 20th September 1932.

I am directed to forward a copy of a memorial addressed by the Association of Life Assurance Offices in India and the Indian Life Assurance Office Association on the above subject. It will be observed from the copy of the draft Bill submitted by the Associations that it has been prepared on the lines of the English Life Assurance Companies (Payment into Court) Act of 1896.

2. In order to assist the Government of India to come to a decision in the matter, they will be glad to have the views of Local Governments and Administrations and of the varibus (High Courts and other) bodies interested in the proposed measure. I am, therefore, to request that the opinions of (the Honourable Judges of the High Court and of) any (other) persons or bodies whom the Local Government consider necessary to consult, may be obtained on the proposal and furnished to the Government of India along with the views of the Local Government.

The Memorial of the Association of Life Assurance Offices in India and Indian Life Assurance Offices Association to His Excellency the Right Honourable the Earl of Willingdon, P.C., G.C.S.I., G.C.M.G., G.C.I.E., G.B.E., Viceroy and Governor-General of India.

MOST RESPECTFULLY SHEWETH :—

1. Your Memorialists' Associations collectively represent the several Life Assurance Companies carrying on business in India.

2. The purpose for which your Memorialists venture to approach Your Excellency is to present for Your Excellency's consideration the introduction of a measure of legislation similar to "The Life Assurance Companies (Payment into Court) Act, 1896" (59 Vict., Chapter 8 of the Statutes of United Kingdom). A copy of this short statute is attached for easy reference.

3. One of the most important factors in the popularisation of insurance is a well-founded confidence in the speedy settlement of claims. The larger number of Policies as taken out in this country are for comparatively small amounts and the dependants for whom provision is made are often left in needy circumstances. Delay in payment gives rise to disappointment and dissatisfaction, the report of which is disseminated amongst acquaintances and the impression gains headway that offices are by no means desirous to meet their commitments and a prejudice is created against insurance generally.

4. Considering that the principal object of all offices is expeditious settlement with a view to obtaining effectual discharge at the earliest possible moment, it bears hardly upon them that while at all times employing their best endeavours to assist claimants who are themselves in fault in furnishing satisfactory evidence of title they should be laid under suspicion of attempted evasion.

5. Your Memorialists trust that they will succeed in demonstrating that the measure as advocated will operate as an incentive to claimants to co-operate more actively with your Memorialists in the establishment of their claims and that while affording your Memorialists much-needed relief to which they are justifiably entitled it will also prove of genuine benefit to claimants themselves.

6. Your Memorialists do not anticipate that serious opposition to the proposed enactment would be encountered. The possible objections which might be raised would be :—

(*a*) That your Memorialists are merely seeking to be relieved of their proper duty of investigating claims,

(*b*) that any further legislation is unnecessary as they are already amply protected.

7. The latter objection may conveniently be dealt with first in order.

In the usual way where no assignment of the Policy has been effected a Succession Certificate is produced and no difficulty then arises. But owing to the diversity of local and particular laws and customs it not infrequently occurs that a claimant declines to produce a Certificate.

For instance, the members of a Joint Hindu family claim by right of survivorship and it is contended by them that a Grant or Certificate is not only unnecessary but cannot be obtained as the Assurance left no estate.

For Proof of title the office concerned has then to rely solely upon Affidavits which give no legal protection against a subsequent claim.

8. Where a Policy has been made the subject of mortgages, some without actual assignment endorsed upon the Policy followed by a series of assignments, and re-assignments, the burden is thrown upon the office of investigating the validity, due execution and identity of the persons concerned and so forth.

9. The reasonable comment presents itself no doubt that where there are adverse claims the simple expedient of an interpleader suit lies ready to hand. All offices, however, are loath to resort to it and avoid doing so except under threat of institution of proceedings. The costs of the suit of the office concerned would fall to be paid out of the Policy moneys and though it would immediately retire from the suit upon filing the Plaint and payment of the moneys into Court yet the costs as incurred would be by no means negligible, having regard to the amount at stake.

10. Similarly in a case where proceedings are instituted against an office when it has been unable to accept proof of title, it may be awarded costs as of a *pro forma* defendant and in any event even when the claimant is successful he has to pay his Attorney and Client costs. Apart from this it is inequitable that the office which is a mere stakeholder should be mulcted in costs for hesitating to assume the functions of a Court in adjudicating upon a claim where the evidence as adduced may be reasonably regarded as inconclusive. There is no finality about a

private decision which is made entirely at the risk of the office. It will be realised therefore that in their anxiety to see that a claimant obtains payment in full of the Policy moneys with the least deductions, Offices will avoid litigation in any form but in so doing they take upon themselves risks to which they should not properly be subjected.

11. In a case therefore where there are conflicting claims it would appear that the proposed measure would be of positive benefit to the claimants themselves in that by the elimination of the Company as a party the costs which would otherwise have been payable as the result of appearing either as Plaintiff in an interpleader suit or even as a *pro forma* Defendant would be avoided. It may be objected that this advantage will be offset to some degree by the provision it is proposed to introduce that the Company in making payment in shall be allowed to deduct the Court fee leviable out of the Policy moneys as so paid in whereas if payment in be made in a suit the fee must fall to be payable by the Company. If the fee, however, be no more than a commission of 1 per cent., it will in the majority of instances be very much less than the costs which would otherwise be payable to the Company in a suit. The commission of Rs. 100 on a Policy of Rs. 10,000 might well be exceeded three or four times over or more by the costs to be incurred in a suit.

12. Apart from that it would probably be found that when the claimants realised that the office had no further concern in the proceedings one or other of them whose claim was not very securely based would withdraw altogether and leave the other with a clear field to make an *ex parte* application. It is a common experience in the case of conflicting claims that though both claimants persistently and vigorously threaten proceedings and peremptorily demand that payment shall not be made to the other party yet when invited to obtain a prohibitory order they take no action to follow up their threat. It is conjectured that each hopes that the office will eventually by a process of attrition be forced to come to a decision in his favour. Consequently no progress is made and nothing results but an interminable correspondence. If the money were paid into Court the dispute would at any rate be appreciably shortened by the elimination of the

office as the object of attack and some definite move would have to be made by the one claimant or the other.

13. It is submitted therefore the benefit of the proposed measure to claimants themselves in the case of adverse claims has been sufficiently demonstrated. It is not overlooked however that even as regards such claims the proposal does lay itself open to the following criticisms :

That no very cogent reason has been advanced for favouring Companies with this particular privilege and it might equally as well be urged that any person against whom adverse claims might be outstanding in respect of a certain debt should likewise be granted the facility for avoidance of an interpleader suit. The answer is to be found in the peculiar relationship in which a Company finds itself to the claimants. The only circumstances in which it would be so placed would be at the instance of (a) persons who claim under some inherent right of survivorship to be exempt from the obligation to prove title by production of a grant or succession certificate. (b) Assignees.

In all other cases the production of a Grant or Certificate is a condition precedent to the institution of a suit against the Company and the necessity for a suit at once disappears upon the production of the Grant as the Company obtains its discharge by virtue of it.

14. As to (a) the following factors are to be considered :

That the contract into which the Company enters is with the Assured to pay upon his death the sum as specified to the executors, administrators or assigns of the Assured. These are the only persons to whom according to the terms of the contract the Company can in any way be liable under it or who would consequently have any cause of action upon it. The anomalous situation is found, however, that in the peculiar circumstances as mentioned a debt which does not arise to become payable or enforceable until the death of the Assured is by some process of law deemed to be the joint property of his family, the members of which become entitled to sue upon it in their inherent right as survivors. When it is borne in mind that the contract was with the Assured personally and not jointly with any other named

persons it certainly must appear somewhat of an anomaly that the Company may be liable as upon a joint contract with persons of whom no mention whatever is made in the contract itself. Such a state of affairs must surely be unique and it is not unreasonable that Companies should claim to be dealt with upon a special footing. The possible objection to the grant of a special privilege may thus be regarded as being satisfactorily disposed of.

15. The converse objection that the facility will operate as an encroachment on the privilege which the particular class of persons at present enjoy under existing laws is dealt with below.

16. The further criticism presents itself that the already congested work of the Courts stands the risk of being burdened with numerous fresh cases of this novel nature and merely to relieve Companies of their duty to make proper investigation of claims. So far as contested claims are concerned it is submitted that the position will in fact remain unchanged in that the application for payment out will merely be in substitution for interpleader suit or suits against the Company which would in any case have had to be instituted or defended. It may be assumed with such degree of certainty as is possible that a Company will not resort that more readily to the first method that they have hitherto done in the past to the second for the very plapable reason that it will be of no advantage or benefit to them to have recourse to action which will result in a reduction in the amount of the policy moneys as received by the proper claimants. There would thus be no incentive to abuse the facility offering. It would only be under imminent threat of proceedings that interpleader suits would be filed and it would similarly only be in the last resort that payment in would be made.

The objection admittedly would appear to have greater force in the case where there are no adverse claims and the only obstacle to settlement is the insufficiency of the title to the moneys as adduced by a single claimant. It might then be urged that no convincing reason has been put forward why the work of the Courts should be further burdened by their having to undertake the investigation of claims for Companies.

17. The answer is again in the peculiar circumstances in which Companies are placed and the question may be put whether it is not equitable that where in every other instance they are entitled to the absolute protection of a Grant or Certificate they may not require similar protection when they are not in a position to demand the production of a Certificate and when that situation is brought about by a peculiar and forced construction of the contract.

18. The contract is entered into with the Assured to pay a certain sum upon his death to his executors, administrators or assigns. Except therefore in the case of an assignment the only persons who have a right of action are the representatives and even were a beneficiary named a suit could not be brought at their instance alone. The contract therefore is that the Company shall be under obligation to make payment to those persons who can produce an indefeasible title to the claim. In the peculiar circumstances, however, it stands to be used at the instance of persons as upon a contract made jointly with them when they are not even impliedly mentioned in the contract itself and thus in direct contravention of the terms of it the Company is deprived of the protection to which it would otherwise have been entitled.

19. The conditions, however, being as found and the principle being accepted that the members of a joint family are vested with an inherent right to payment without production of any Certificate of indefeasible title the objection may well be anticipated that the measure as proposed hides an insidious attempt at encroachment on the inherent rights of that class of persons who are exempt from obtaining a Succession Certificate for the enforcement of their claims and that the Act if passed merely introduces a form of compulsion upon them to obtain it.

20. That is by no means the intention of your Memorialists who are entitled to credit for good faith. There need be little apprehension that they will not investigate the title of claimants with as much patience as hitherto. It is only in such cases when the evidence adduced is palpably insufficient that they are compelled to decline acceptance, and when this occurs they must inevitably leave it to the claimant to establish his title in Court.

21. In the ultimate result it will be apparent that the proposed procedure will be to the advantage of the claimant. At present he has to file a regular suit which takes its place in the lists to be heard and may come up after long delay and the costs must inevitably far exceed those of an application to be dealt with summarily. The Court-fee as levied in the form of commission on the sum paid will as observed in most instances be of relatively small amount.

22. In the ultimate result the claimant where faced with the alternative of applying for payment out or applying for a Succession Certificate will necessarily elect the latter but he would be equally compelled to exercise the same election in present circumstances if this title were doubtful but what is offered is a very much more expeditious and less costly means for attaining the same end. In any event it is submitted that all other circumstances being equal it is surely inequitable that the Company which is a mere stakeholder of the monies should be mulcted in the costs of a suit.

An Assignee whose title is questioned would stand in even better position as the only means open to him for establishing it would in present circumstances be a regular suit. And it may be assumed that where his title is impeached an adverse claim would in the majority of instances be raised by the Assured's representatives.

23. In uncontested cases where it would be a matter only of furnishing further and adequate proof of title the climant would be in no worse position as in place of having to file a suit against the office he could make an *exparate* application for payment out upon such evidence as he might be in a position to adduce.

24. Your Memorialists submit a tentative draft of the proposed Bill for consideration. The Provisions are made as comprehensive as possible, particularly in regard to procedure to avoid the necessity for the various Courts framing Rules.

The principal object is to ensure that the proceedings shall primarily be of a summary nature with the proviso that if the

Court be of opinion that the nature of the claims as made will not permit of the case being so dealt with it may dismiss the petition and refer the parties to a regular suit.

25. The main difficulty which present itself is the question of the Court-fees and costs. So far as concerns an application by a single claimant to which no opposition is entered the appropriate fee would be the same as that leviable in the case of a grant of Succession Certificate. The fee payable on the application would also be the same. In the event of opposition being entered by any claimant the case would have to be of such a nature as to admit of being disposed of summarily and it would be competent to the Court to take the evidence only upon affidavits with the usual liberty to cross-examine. It is suggested that the requirements of the case would be met if the same fee were paid by each claimant appearing to oppose that is upon the application and for the grant the total fees as payable being deducted from the moneys before payment out, it being left to the successful party to recover the costs from the other or others, he standing in the position of plaintiff in a regular suit.

Your Memorialists pray Your Excellency that they may be afforded the relief as urged by the passing of the proposed enactment into law in such form as may be found most expedient.

For and on behalf of

THE ASSOCIATION OF LIFE ASSURANCE OFFICES IN INDIA,

(Sd.) H. STANLEY BULLOCK,
Chairman.

(Sd.) H. G. A. DRYDEN,
Ag. Secretary.

For and on behalf of

THE INDIAN LIFE ASSURANCE OFFICES ASSOCIATION,

(Sd.) H. E. JONES,
Deputy President.

(Sd.) K. S. RAMCHANDRA, IYER.
Ag. Hon. Secretary.

CHAPTER 8.

An Act to enable Life Assurance Companies to pay Money into Court in Certain Cases. (21st May, 1896).

Be it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same as follows :—

Short title

1. This Act may be cited as the Life Assurance Companies (Payment into Court) Act, 1896.

Interpretation

2. In this Act—

The expression "Life Assurance Company" means any corporation, company or society carrying on the business of Life Assurance, not being a society registered under the Acts relating to friendly societies ;

The expression "Life Policy" includes any policy not foreign to the business of Life Assurance.

Power to pay Money into Court.

3. Subject to rules of Court any Life Assurance Company may pay into the High Court or where the Head Office of the Company is situated within the jurisdiction of the Chancery Court of the County Palatine of Lancaster either into that Court or into the High Court, any moneys payable by them under a life policy in respect of which, in the opinion of their board of directors, no sufficient discharge can otherwise be obtained.

Receipt of Officer Sufficient discharge.

4. The receipt or certificate of the proper officer shall be a sufficient discharge to the company for the moneys so paid into Court, and such moneys shall, subject to rules of Court, be dealt with according to the orders of the High Court or the Palatine Court, as the case may be.

Extent of Act.

5. This Act does not extend to Scotland.

AN ACT TO ENABLE LIFE ASSURANCE COMPANIES TO PAY MONEY INTO COURT IN CERTAIN CASES.

WHEREAS it is expedient to enable Life Assurance Companies to pay money into Court in certain cases and to afford facilities to claimants to receive payment thereof; It is hereby enacted as follows :—

1. (1) This Act may be called the Life Assurance Companies (Payment into Court) Act, 19 .

(2) It extends to the whole of British India.

2. In this Act—

(*a*) "Life Assurance Company" means any corporation, company or society carrying on the business of Life Assurance.

(*b*) "Life Policy " includes any policy not foreign to the business of Life Assurance.

3. Any Life Assurance Company may pay into such Court in British India as is herein prescribed any moneys payable by the Company under a Life Policy in respect of which any of its Managers, Secretaries, other authorised officers or Agents shall have filed a certificate signed by him setting forth—

(*a*) A statement that in the opinion of the Company's Board of Directors or other authorised officer; no sufficient discharge can otherwise be obtained,

(*b*) A short statement of the persons entitled under the policy according to its terms, with their names and addresses so far as they are known to the Company ;

(*c*) The names, addresses, and a short statement of the nature of the claims, of any claimants to the policy moneys, if and so far as the same are communicated in writing to the Company.

4. The Court into which such payment may be made hereunder may be either—

(*a*) that Court within whose jurisdiction the person as named in the certificate so signed as having made a claim thereto, or if there shall be more than one claimant therto as so named, any one of such claimants shall reside : and for the purpose of this Section the place of residence shall be deemed to be at the address from which the Company making the payment in shall have received its last communication in writing from such claimant ; Provided that the moneys shall not exceed an amount for which a suit could have been instituted against the Company in such Court for recovery thereof, or

(*b*) any Court within whose jurisdiction shall be located the place at which the moneys shall be expressed in the policy to be payable.

5. The receipt of the proper officer of the Court shall be a sufficient discharge to the Company for the money so paid into Court. Any Court fees leviable in respect of such payment shall be deducted out of the money so paid in.

6. Any claimant to the money in Court may apply to the same Court by petition or summons, and he shall serve the same on or give notice thereof to all the persons appearing by the certificate to be entitled to or claiming the money, and such other persons as the Court may think fit.

7. The Judge hearing the petition or summons may give such directions as he may think just for the trial of any questions arising thereout ; and may, unless a regular suit shall have been filed for recovery of the money in Court, pass an order for payment of the money to the person entitled to receive and give a discharge for the same or if it shall appear that no person appearing is entitled thereto he shall dismiss the petition and claim of any other claimant shall have been dismissed until the time for filing an appeal therefrom shall have expired.

8,. An appeal shall lie from any order as so made as from a decree at the instance of any person whose claim shall be dismissed.

9. If the Judge is of opinion that the claims to the money cannot ve disposed of in a summary manner he may dismiss the petition and refer the claimants to a regular suit.

10. In any Court other than a High Court the Court fees to be paid by the Petitioner and every claimant who shall enter appearance in the proceedings as aforesaid shall be the same as would be payable for the grant of a Succession Certificate in respect of a debt of the same amount as the moneys as paid in. In any High Court the fees payable shall be the same as in the case of proceedings instituted upon an Originating Summons.

Letter No. 39 *dated 5th January* 1933 *from Chamber to Government of Bombay.*

I am directed to refer to your letter No. 9793 / F, dated 10th October, 1932, inviting the views of this Chamber on the proposed legislation regarding settlement of claims by Life Assurance Offices and in reply to say as under :

My Committee have considered the proposal in the Memorial of the Association of Life Assurance Office in India and the Indian Life Assurance Offices Association, and cannot help noticing that the opinion of the policy holders has not yet been expressed on this subject. In the relations of Insurance contract, grievances have been expressed in the past. It is found that many claims are delayed for one reason or the other and the proposal in the representation deals with but a fraction of these. My Committee would like, if Government take occasion to legislate and intercede in the contract, the following points being considered :—

(i) what can be done to eliminate the long delays occurring in the payment of claims ;

and

(ii) What is the legal position of insurance companies in respect of interest on payments which become due under the policy but which were retained by them for some reason or other.

With regard to the specific proposal contained in the representation my Committee see no objection to the suggestion. They however consider it necessary to give expression to the apprehensions which are likely to arise, namely, that the insurance companies may make greater use of the legal privilege which is being sought to be conferred on them to the prejudice of the beneficiaries under the policy and may seek in every doubtful case to pay money into court. Should this happen, it would discourage the practice of life insurance, which is but growing in India has not yet reached the same proportion as in other countries. It would be against public policy to have legislation which would tend to discourage insurance in any shape or form. My Committee would like that Government should consider this aspect of the matter before giving legislative effect to the proposal.

Another important issue to which my Committee would refer is that of expenditure. It is suggested that all the necessary expenses incidental in the procedure, including court-fees, etc., should come from the proceeds of the policy. An estimate of such expenditure, which was sought by my Committee indicated that in the case of small policies it may run up to as high as 25 per cent. of the policy amount. There would be besides the delay of the Law Courts, inevitable in the ordinary courses of Law.

Under the circumstances, my Committee recommend legislation on the lines suggested provided there are some guarantee inherent in the provisions of Law that the privilege which is being conferred on the insurance companies would not be abused. In this connection, they would make a suggestion for the consideration of Government that provision should be made making it obligatory on insurance companies to bear half the stamp duty involved in the procedure of paying any claim through Court, so that they may not use the facility given to them too readily and to the prejudice of the policy-holder's survivors. My Committee would take the opportunity of drawing the attention of Government to the rules under the Life Assurance Companies (Payment into Court) Act, 1896, a copy of which is herewith enclosed for ready reference, and would suggest that analogous provisions should be made in the legislation contemplated.

The provisions of the proposed ligislation would, to some extent, reduce the liability of insurance companies to the survivors for care and caution in the detention of funds due to them. In the interest both of insurance companies and of policy-holders, it would, therefore, be of some advantage if a special machinery for summary disposal of such cases were thought of involving less expenditure and less delay. The incidence of cost of Law for the recovery of small claims is undoubtedly heavy and while this matter is under consideration, my Committee would take the opportunity of drawing Government's attention thereto in the hope that in setting right some of the evils which undoubtedly exist, and to which the representation of Insurance Association draws attention, a permanent reform may be achieved beneficial to both to the Company and the policy holders and to Insurance generally.

Rules Under the Life Assurance Companies (Payment into Court) Act, 1826 (English Act.)

1. An Assurance Company desiring to make a payment into Court under the Act shall cause an affidavit, by its Secretary or authorised officer, to be filed, intituled "In the matter of the policy No. , effected with (here give the name of the Company) and in the matter of the Act," ahd setting forth:---

A short description of the policy and a statement of the persons entitled thereunder, according to the terms of the policy, with the names and addresses of such persons, so far as the same are known to the Company.

b) A short statement of the notices received by the company claiming an interest in or litle to the money assured, the dates when such notices were received, the dates of withdrawal of such notices, if any, as have been withdrawn, the addressees, so far as the same known to the company, of the persons by whom such notices have been given.

c) A state ment that, in the poinion of the board of directors of the company, no sufficient discharge can be obtained otherwise than by payment into Court under the Act.

d) The submission by the company to pay into Court such further sum, if any, whether for interest or otherwise as the Court or a Judge may direct, and to pay any costs which the Court or a Judge may considers under the circumstances of the case ought to be paid by the company.

e) An undertaking by the company forthwith to transmit to the paymaster any notice of claim received by the company after the making of the affidavit, with a letter referring to the title of the affidavit.

f) The place where the company may be served with any petition, summons, order, or notice of any proceedings relating to the money.

2 The Company shall not deduct any costs or expenses of or incidental to the payment into Court.

3 No payment shall be made into Court under the Act where any action to which the company is a party is pending in relation to the policy or the moneys thereby assured except by leave of the judge to be obtained by summons in the action.

4 The company shall forthwith give notice of such payment by prepaid letter through the post, to several persons appearing by the affidavit to be entitled to or interested in the money assured and paid into Court or to have given notice of claim to the company, except where the notice has been withdrawn and except so far as the name or address of any such person is unknown to the company.

5. Any person claiming to be entitled to or interested in the money paid into Court may apply in the Chancery Division by petition or, where the amount does not exceed 1,000 by summons, in respect thereof.

6. No petition or summons relating to the money shall be answered or issued unless the applicant has named therein a place where he may be served with any petition or summons, or notice of any proceeding or order relating to the money.

7. Unless the Court or Judge shall otherwise direct, the applicant shall not, except when he asks for payment of a fur-

ther sum of costs by the Company, serve such petition or summons on the company, but shall serve the same on or give notice thereof to every person appearing by the affidavit on which payment into Court was made to be entitled to, or interested in, or to have a claim upon the money, or who has given any further notice which has been transmitted to the paymaster as aforesaid.

8. These Rules (which shall come into operation forthwith) may be cited as "The Rules of the Supreme Court (Life Assurance Companies), 1896", and with reference to the Rules of the Supreme Court, 1883, as Order LIVc."

APPENDIX 54

Arrest and Imprisonment for debt.

Letter No. 1298 *dated* 29*th April* 1933 *from Director of information and Labour Intelligence, Bombay, to Chamber.*

I am directed by the Government of Bombay to forward herewith for your information a copy of the Government of India, Department of Industries and Labour, letter No. L-3013 dated the 12th April 1933 on the above subject and to request you to be so good as to furnish this office with the views of your Chamber on the question set down in para. 10 of the letter, namely, whether arrest and imprisonment for debt where no contumacy is proved should be abolished either generally or for particular classes of persons.

2. I shall be glad if you will kindly send in your reply not later than the 31st August 1933.

Letter from the Government of India.

I am directed to address you on the subject of arrest and imprisonment for debt.

2. The present law on the subject is contained in sections 51 and 55 to 59 of the Civil Procedure Code read with rules 37 to 40 in Order XXI. Under the substantive provisions of the Code a judgment debtor other than a woman may be arrested and detained in prison in execution of a decree. But under rule 37, Order XXI, a court may in lieu of issuing a warrant of arrest issue

a notice calling upon the judgment debtor to show cause why he should not be detained. Under rule 40 the court may disallow his arrest and detention. There is thus no obligation on the court at any stage to order either the arrest or the imprisonment of a debtor who is genuinely unable to pay. But when a judgment-debtor is brought to court the burden of proving that he is unable to pay rests upon him.

3. On page 232 of their report the Royal Commission on Labour recommend that, at least so far as industrial workers in receipt of wages or salary amounting to less than Rs. 100 per month are concerned, arrest and imprisonment for debt should be abolished except where the debtor has been proved to be both able and unwilling to pay. The form of the recommendation suggests that the Commission would have favoured a more general abolition of arrest and imprisonment for debt had their terms of reference been wider, and the first question which arises is whether imprisonment for debt (where there is no contumacy) should be abolished generally. This question has been considered on various occasions in the past, notably in the years 1881-83 when the Government of India consulted local Governments and other authorities upon it. Opinion on the subject was deeply divided, but the Government of India reached the conclusion that imprisonment for debt where no fraud was proved should disappear from the Indian statute-book as soon as the conditions of the country permitted it. In furtherance of this policy they introduced in 1886 a Debtors Bill in the Imperial Legislative Council. The Bill was designed to apply in the first instance only to what are now the United Provinces, but provision was made for its extension by notification to other parts of India. The intention was that the effect of the measure in Agra and Oudh should be observed before an extension was made, and these provinces were selected mainly because the local Government and the High Court had agreed in supporting to principle embodied in the Bill. Mr. (afterwards Sir) Courtenay Ilbert appended to the Bill a Statement of Objects and Reasons which included a vigorous plea for the principle at stake. An extract from this is given at the end of this letter (Annexure I).

4. The circulation of the Bill was the signal for further controversy and when Bill emerged from Select Committee it

was radically altered. The abolition of imprisonment for debt was restricted to female debtors ; in respect of other debtors the most important changes were the grant to the Courts of discretion, which they did not previously enjoy, to refuse to issue a warrant of arrest at the pleasure of a decree-holder, and the grant of the power to order the release of debtors who were genuinely unable to pay. The Member in charge of the Bill gave as the main reason for the changes the desirability of maintaining "uniformity of practice in regard to execution of decrees wherever the Code of Civil Procedure applies." The amendments which the Select Committee made were therefore intended for application to India generally, and had behind them the weight of the opinions received. The Bill in this amended form passed into law as the Debtors Act, 1888, and the substance of the provisions then introduced in the Code of Civil Procedure remains in the existing Code. No appreciable advance has since been made towards the elimination of imprisonment for debt ; for, although the Civil Procedure Code of 1908 abandoned the principle of uniformity in the execution of decrees by giving High Courts extensive powers to alter the procedure, these powers have nowhere been used to make radical alterations so far as imprisonment for debt is concerned.

5. In 1914 the Government of Madras deputed Mr. A. J. Curgenven, I.C.S., to examine the circumstances in which civil debtors were imprisoned in that Presidency, "with special reference to the question whether their imprisonment was due to their inability to pay their debts or to their unwillingness to do so." His investigations into a number of cases led him to the conclusion that in the majority of these, the Courts, if they had held an inquiry into the circumstances of the debtor, would have refused to imprison. His report tended to confirm the view (*cf.* Annexure I, paragraph 28) that arrest and imprisonment not infrequently resulted in securing payment from some source on which the creditor was not entitled to draw. His main recommendation was that the courts should be obliged to adopt the procedure which the Debtors Act made permissive, viz., the holding of an inquiry into the debtors' inability to pay before his arrest or imprisonment can be ordered. The Madras Government, after consulting the High Court, took no immediate action on the report

as they considered that the time had not come for preventing imprisonment for debt. Subsequently the question received attention from the Civil Justice Committee, of 1924-25, who were appointed with a view to securing the more speedy, economical and satisfactory despatch of business in the Courts. An extract from their report is appended to this letter (Annexure II). In 1927, following an examination of Mr. Curgenven's recommendations, the High Court of Madras, acting in agreement with the local Government, embodied certain of his suggestions in their rules, and the Government of India consulted local Governments on other suggestions designed to reduce the number of debtors imprisoned. Some support was forthcoming for part of the proposals, but not for the proposals as a whole ; and as the general tenor of the replies was unfavourable, the Government of India took no action. These discussions, however, were not public and as many years have now passed since there has been any general examination of the main question at issue, the Government of India are anxious that it should be re-examined and that public opinion should be canvassed upon it.

6. The arguments for and against the principle of imprisonment for debt may be briefly noticed. The main ground on which the maintenance of the present system is supported is that indicated in the extract from the Civil Justice Committee's report (Annexure II), viz., that imprisonment is " as a rule" resorted to only if it is likely to prove effective, and that "in many cases " it is effective as no other substitute would be. It is significant that while High Court have now the power to amend the rules under Order XXI of the First Schedule in such a manner as to prevent the arrest or detention of debtors who are honestly unable to pay, no High Court has taken this step. This must be taken as indicating that the highest judicial authorities are on the whole satisfied with the existing law and is in itself an argument of considerable weight against a change in the law. The majority of those who approach this question from the standpoint of judicial experience are impressed by the difficulties which confront creditors who desire to enforce decrees and are anxious not to enhance those difficulties. It has been aptly said that "the difficulties of a litigant in India begin when he has obtained a decree." Fraud and the various loopholes open to debtors are

used to deprive many honest creditors of their rights. To remove one of the two ordinary methods by which a money decree is enforced would, it has been urged, add enormously to their difficulties. There is, indeed, no doubt that the power of arrest and the threat of imprisonment are efficacious in many cases in producing money from judgment-debtors ; the contract between the large number of persons arrested and the small proportion actually imprisoned is sufficient evidence of this fact.

7. The opposite point of view is set out in Annexure I, which though written nearly 50 years ago, contains little that is irrelevant to-day. Considerations such as those given by Sir Courtenay Ilbert had led, even at that time, to the abolition of imprisonment for debt in most civilized countries and have to be met by those who desire to maintain the existing system in India.

8. The Government of India suggest that, in coming to a conclusion on the question, the main issue is not so much the effect which the law has or might have on the actual execution of decrees as the effect which it has at a much earlier stage. Supporters and opponents of imprisonment for debt would probably agree that its abolition would make borrowing in certain circumstances much more difficult. It is agreed that the power of arrest and imprisonment is an effective aid to many creditors ; and if this aid is withdrawn, the result is bound to be a contraction of credit in certain directions. This point is noticed in Annexure I and it forms the basis of the Labour Commission's recommendation. To put the issue simply—is it or is it not desirable that the contracting of debts which cannot be recovered except by the arrest or imprisonment of the debtors should be discouraged ? The Statement of Objects and Reasons of 1886 and the Labour Commission both answer this question in the affirmative. Referring to the workers with whom they were concerned the Commission say :—

"The worker's debts are due to a large extent to the fact that the lender finds in him a profitable investment and is ready and, indeed, eager to give the worker money which it is contrary to the latter's interest to accept. After weighing carefully the

considerations on both sides, we are definitely of the opinion that it is in the worker's interest to reduce his attractiveness as a field for investment. In other words efforts must be concentrated on diminishing his power of obtaining credit. We recognise the force of the argument against this conclusion. There are occasions when the worker is in grave need, and money-lenders often perform a useful function in assisting the worker in emergencies. But the widespread havoc produced by the present system of comparatively easy credit far exceeds the hardships that would result from a reduction in the money-lender's readiness to lend." (Report page 231).

9. The strongest arguments for, if not also against, a change in the law rest on general principles, and this suggests that if any change is to be made it should be made generally and not in favour of particular classes. But there are also certain considerations specially applicable to the poorer classes of debtors. Among workmen especially, a very large proportion of the loans are such that their conditions cannot be fulfilled or can only be fulfilled by inflicting prolonged and severe hardship on the workman and his family. Further, the remedy offered by the insolvency court is probably much less effective in the case of workman than in the case of those who are less ignorant and more able to defray the necessary costs. Finally the Civil Procedure Code, in giving special protection from attachment to the wages of labourers, already recognises their special claim to protection ; but the power of arrest and imprisonment can be used to render this protection illusory.

10. To sum up, the question of which Government of India desire to secure advice is whether arrest and imprisonment for debt where no contumacy is proved should be abolished either generally or for particular classes of persons. I am to request that those likely to be specially interested may be consulted and public opinion generally sounded on the subject and that the Local Government's reply may be sent to reach the Government of India not later than the 30th November 1933.

ANNEXURE I.

Extract from the Statement of Objects and Reasons appended to the Debtors Bill, 1886.

* * * * * * * *

25. The arguments on which the upholders of the present system rely fall into two classes : first, arguments which, if valid at all are valid for England as well as for India ; and, secondly, arguments based on the special circumstances and conditions of India.

26. To arguments of the first class belongs the assertion that "to remove from the Statute Book the penalty of arrest and imprisonment in execution of a decree for money would be to paralyse the commerce and trade of the country." The same objection was made in England first to the abolition of arrest on mesne process, and afterwards to the abolition of arrest on final process. The power of arrest was removed, and neither commerce nor trade showed any symptoms of paralysis.

27. Those who uphold imprisonment of debt, not as being generally expedient, but as being specially required for India, do so mainly on two grounds : first, the complexity and obscurity of Indian titles to property ; and, secondly, the exceptional prevalence of fraud in India, and the exceptional difficulties of detecting it.

As to the first ground, it has been remarked that if it is wrong to allow a debtor to pledge his person as securing for his debts, it is not the less wrong because, owing to the defect of Indian property law, he finds difficulty in giving a satisfactory security over his property.

In the argument based on the prevalence of, and difficulty of detecting fraud, there is undoubtedly much force, though it may be doubted whether the obstacles which can be placed in the way of a creditor realizing his debts are not as great in England as in India. But, however this may be, to make an honest, though needy, debtor liable to imprisonment simply because fraudulent debtors are numerous and difficult to detect, appears to be as un-

just as it would be to make homicide by misadventure punishable by death, simply because the crime of murder was rife and hard to prove.

28. There are in the opinion of the Government of India two principles which ought to be observed in every law of debtor and creditor. The Courts ought not to give effect to any pledge by a debtor either of his person or of the bare necessaries of life The debtor ought not to be allowed, by his own action, supplemented by the action of the Courts, either to deprive himself of his personal liberty, or to reduce himself to starvation. If he cannot obtain credit except on one or other of these securities, it is better that he should not obtain credit at all. Experience acquired in the Dekkan goes to show that these principles are as applicable to India as to England. The Code of Civil Procedure recognises one of these principles by exempting from seizure for debt the debtor's bare means of subsistence. But this recognition is nullified by the refusal to adopt the principle of exempting the debtor's person from seizure. Of what use is it to reserve by law to the debtor the bare necessaries of life, when he can be compelled to give them up by the threat of imprisonment ? By those who advocate the retention of the present system, much reliance is placed on the very small proportion of actual imprisonments to warrants of arrest ; and the inference drawn from this proportion is that the law, though harsh in theory, produces no hardships in practice. But there is reason to believe that, in the great majority of cases, exemption from arrest is purchased either by renewal of bonds on extortionate terms, or by surrender of property which the law has exempted from seizure or by surrender of property which does not belong to the debtor at all, but to his relations or friends. In other words, the law enables a creditor to do indirectly what it forbids him to do directly.

29. It is said that the honest debtor has an easy way out of prison through the door of insolvency. But in the first place, the honest debtor ought not to be sent to prison at all ; and in the next place, the door which is provided for his release is, for some reason or other, very rarely used.

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ANNEXURE II.

Extract from the Report of the Civil Justice Committee, 1924-25.

* * *

"Let us now deal with (b) the case of a judgment-debtor who is arrested because no payment is made. When he is brought into court, either he is kept in custody for a few days with a view to enable him to pay up the money or he is committed to prison or he is discharged for one or other of the reasons specified in Order XXI rule 40, clause (1), viz., poverty or other sufficient cause. We think that in not a few cases much maudlin sympathy is shown to the judgment-debtor, who is supposed to be an innocent victim of the decree-holder. If a man is really poor, the decree-holder is not likely to throw good money after bad to feed him in prison. He will as a rule ask for commitment only in cases where he believes that the judgment-debtor has secreted his properties—a not unusual proceeding. Experience shows that when once an order for commitment is made money appears in many cases in spite of protestations of poverty. We would, therefore, suggest not that the law should be altered but that it should be administered with less laxity." (Report page 389).

* * *

Letter No. 1748 *dated* 23*rd June* 1933 *from Chamber to the Labour Office*

I am directed by the Committee of this Chamber to acknowledge the receipt of your letter No. 1298 dated the 29th April, 1933, and to send hereby their views on the subject mentioned above.

My Committee have carefully considered the question, whether arrest and imprisonment for debt, where no contumacy is proved, should be abolished either—generally or for particular classes of persons, as also the recommendation of the Royal Commission on Indian Labour, that so far as industrial workers in receipt of wages or salary amounting to less than Rs. 100/- per month are concerned, arrest and imprisonment for debt should be

abolished, except where the debtor has been proved to be both able and unwilling to pay. My Committee are not in favour of the first question, viz., abolition of arrest and imprisonment for debt where no contumacy is proved either generally or for particular classes of persons. They, however, support the second, viz., the recommendation of the Royal Commission on Indian Labour, that so far as industrial workers in receipt of wages or salary amounting to less than Rs. 100/- per month are concerned, arrest and imprisonment for debt should be abolished, except where the debtor has been proved to be both able and unwilling to pay.

APPENDIX 55.

Bill to amend the Land Acquisition Act, 1894.

Letter No. 3602 *dated* 22*nd November* 1932 *from the Director of information and labour intelligence, Bombay to Chamber.*

I am directed by Government to forward herewith for your information a copy of the letter from the Government of India, Legislative Assembly Department, No. F. 136-1/32A dated 29th September 1932 and copies of its accompaniments, regarding a Bill to amend the Land Acquisition Act, 1894, and to request you to furnish this office with the views of your Chamber thereon. I shall be glad if you will kindly send in your reply at an early date, at any rate not later than 7th December 1932.

Letter from the Government of India

With reference to the Dates of the Legislative Assembly of the 12th September 1932, I am directed to forward herewith copies of the papers noted in the margin to request that the Governor in Council will favour this Department with an expression of his opinion on the provisions of the Bill, and with the opinions of such selected officers and other persons as the Governor in Council may think fit to consult on the subject.

1. Bill as introduced with Statement of Objects and reasons.

2. Extract from Legislative Assembly Debates, Dated the 12th September 1932, regarding the Bill.

2. I am also to request that the Bill and Statement may be published in the Bombay Government Gazette in English and in such other languages as the Governor in Council may deem proper, and that the dates of such publication may be communicated in your reply.

3. The reply to this letter should be sent in duplicate by the 1st January 1933.

(As introduced in the Legislative Assembly).

A BILL

Further to amend the Land Acquisition Act, 1894, for certain purposes.

Whereas it is expedient further to amend the Land Acquisition Act, 1894, for the purposes hereinafter appearing; It is hereby enacted as follows :—

Short title.

1. This Act may be called the Land Acquisition (Amendment) Act, 1932.

Insertion of new section 38A in Act 1 of 1894.

2. After section 38 of the Land Acquisition Act, 1894 (hereinafter referred to as the said Act), the following section shall be inserted, namely :—

Industrial concern to be deemed Company for certain purposes.

"38A. An industrial concern, owned by an individual or by an association of individuals and not being a Company, desiring to acquire land for and in connection with the erection of dwelling houses for workmen employed by the concern, shall, for the purposes of this Part, be deemed to be a Company, and the references to Company in sections 5A, 6, 7, 17 and 50 shall be interpreted as references also to such concern."

Amendment of section 40, Act I of 1894.

3. In sub-section (1) of section 40 of the said Act, for clauses (*a*) and (*b*) the following clauses shall be substituted, namely :—

"(*a*) that the purpose of the acquisition is to obtain land for and in connection with the erection of dwelling houses for the workmen employed by the Company, or

(*b*) that such acquisition is needed for the construction of some work, and that such work is likely to prove useful to the public."

4. In section 41 of the said Act,—

Amendment of section 41, Act 1 of 1894.

(*a*) after the word "that" where it first occurs, the following words shall be inserted, namely :—

"the purpose of the proposed acquisition is to obtain land for and in connection with the erection of dwelling houses for the workmen employed by the Company, or that"; and

(*b*) for clauses (4) and (5) the following clauses shall be substituted, namely :—

"(4) where the acquisition is for the purpose of erecting dwelling houses, the time within which the dwelling houses shall be erected; and

(5) where the acquisition is for the construction of any other work, the time within which and the conditions on which the work shall be executed and maintained, and the terms on which the public shall be entitled to use the work."

STATEMENT OF OBJECTS AND REASONS.

The Land Acquisition Act, 1894, makes it possible, where the previous consent of the Local Government has been obtained, to acquire land compulsorily on behalf of companies, provided that the land is needed for a work "likely to prove useful to the public." The Royal Commission on Labour have recommended that the Act be so amended as to enable land to be thus acquired where it is needed for the housing of labour, either by companies or by other employers. They stated that, in a number of instances brought to their notice, land eminently suitable for the development of housing schemes had been held at ransom by the owners, fantastic values being placed upon it as a result of the construction of factories and other industrial concerns in the neighbourhood. The provision of adequate housing for work-

men is one of the urgent needs of Indian industry, and the Bill seeks to give effect to the Commission's recommendation.

Letter No. 37 dated 5th January 1933 from Chamber to the Director.

I am directed to refer to your letter No. 3602, dated 22nd December 1932, and, in reply, to communicate to Government hereby the views of my Committee on the Bill to amend the Land Acquisition Act, 1894.

The objects of the proposed amendment are two-fold: (1) to enable land being acquired compulsorily for the housing of labour, and (2) for the purpose of acquiring land for the said object, the definition of a "Company" referred to in the Act to be enlarged so as to include individual employers or Association of such individuals.

My Committee are in agreement with the views of the Royal Commission on Labour in this regard, and welcome the proposal to make it possible for employers to acquire land for the purpose of housing of labour. The same will, as the Royal Commission have recommended, in cases in which an employer is willing to construct houses for his employees, make available land eminently suited for the purpose, without the employer being held to ransom by fancy prices being charged for the same. My Committee also approve that in so far as acquisition of land for this purpose is concerned, the benefit of the provisions of the Act should be extended to individual employers, as also associations of such individuals. It is a matter of common knowledge that in many cases firms of mill agents and/or managing agents in the Presidency do not come within the meaning of a "Company," as defined in the Act, and there is no reason why the benefit of the reform should not be extended to such employers. For the matter of that, even Millowners' Association cannot, if they wish, avail themselves of the facility proposed under the amendment but for this extended application. My Committee are, therefore, in agreement with the objects of the Bill.

At the same time they cannot held pointing out that there is considerable force in the fears, which have been expressed before the Legislative Assembly, that land acquired thus may sub-

sequently be diverted for other purposes. My Committee are aware that under Section 41 of the Act, the Local Government have power to make rules regulating the acquisition of land under the Act, but they would prefer some provisions being incorporated in the body of the Act, to the effect that, if the housing scheme is not completed within a particular time from the date of the acquisition, or if at any time thereafter the land or the tenement ceases to be used for the purpose for which the same is acquired, the land must be offered back to the original owner or his representatives or, in case they do not desire it, to the people in the immediate neighbourhood, at a price to be agreed upon between the parties or in case of dispute, by arbitration.

My Committee support the provisions of the Bill, subject to the reservation referred to above.

APPENDIX 56.

Hours of work for dock Labourers.

Letter No. 3508 *dated* 18*th November* 1932 *from the Director of information and Labour intelligence, Bombay to Chamber.*

I am directed to forward herewith 10 copies of the Government of India, Department of Commerce, letter No. 215-P. & L (4)/32 dated 3rd November 1932 together with copies of relevant extracts from the report of the Royal Commission on Labour in India and to request you to furnish this office with your views on the points raised in the letter referred to.

2. I shall be glad if you will kindly arrange to send your reply so as to reach this office not later than the 31st December 1932, at the latest.

Letter from the Government of India.

I am directed to refer to the recommendations made on pages 187-9 of the Report of the Royal Commission on Labour in India regarding the fixation of the hours of work for dock labourers and the raising of the minimum age for the employment of children in docks and to item No. 166 in the Summary in Appendix I to the Report. The discussion in the Commission's Report is prefaced by references to five out of the six major ports

which they visited and their recommendations are presumably based on the directed towards conditions in major ports. I am to request, however, that the question should be examined with reference to both major and minor ports.

2. The Government of India have given careful consideration to the recommendation regarding the raising of the minimum age for the employment of children in ports from twelve to fourteen years and are provisionally of opinion that it should be accepted. Before, however, steps are taken to amend section 6 (1A) of the Indian Ports Act, 1908, they would be glad to receive the views of the Local Government in the matter.

3. As regards the recommendations regarding the regulation of the hours of work of dock labourers and the rates of fees for overtime to be paid to them, the Government of India have not been able to come to any definite conclusions. In the first place they have no experience of the practical issues involved, nor are they in a position to judge how far it would be practicable in the present conditions of dock labour in India to control hours of work. In the second place they feel considerable difficulty regarding the form which the necessary legislation should take if the recommendations are finally accepted. Before arriving at a decision, therefore, they would be glad to be favoured with the views of the Local Government on these recommendations and I am to request that their view may be communicated to this Department at an early date after consultation with all the parties affected. In particular, the Government of India would be glad to know whether in the opinion of the Local Government legislation for the purpose should take the form of a special Act or an amendment of an existing Act.

4. In this connection I am to indicate the nature of the difficulties that the Government of India anticipate might be felt in considering what form legislation should take. It may perhaps be suggested that the object in view could be achieved by an amendment of amplification of the Indian Ports Act, 1908. This Act, however, deals with such matters as the delimitation of ports, port conservancy, the safety of shipping in ports, the levy of port dues and other port charges, the manner in which the revenues of a port shall be accounted for, and the expendi-

ture which may be charged to the port fund ; it has nothing to do with the control or welfare of shore labour. It is true that, in the absence of any more suitable method, the Government of India legislated for the prevention of the employment of young children within port limits by an amplification of section 6 of the Act, but it was felt that the scope of the Act was being strained thereby.

5. In connection with the Convention for the safety of workers employed in the loading and unloading of ships, it has been considered that it will be necessary to frame a separate Act in order to implement the decision to ratify the Convention, and it would seem that the most suitable course to follow would be to legislate for the regulation of dock labourers' hours of work in the same Act. The Government of India consider, however, that this course presents serious difficulties, particularly in the framing of penal sections. In the Indian Factories Act, 1911, penalties for infringement of the provisions relating to the welfare of workers are laid on the "occupier or manager" of the factory. The difficulties involved in the use of the term "employer" in this connection have been carefully avoided and the Government of India feel that, in view of the various intermediaries who figure in the indirect system of employment of dock labour which prevails in Indian ports, it would be much more difficult to legislate for penalties on the "employer" of such labour.

6. In the United Kingdom the case of dock labourers has been included within the scope of the Factory and Workshop Act, 1901, by the provision (section 104) that the main relevant sections "shall have effect as if every dock, wharf, quay and warehouse and all machinery or plant used in the process of loading or unloading any ship in any dock, harbour or canal were included in the word "factory,' and the purpose for which the machinery or plant is used were a manufacturing process ; and as if the person who by himself, his agents or workmen uses any such machinery or plant for the before-mentioned purposes were the occupier of the premises ; and for the purpose of the enforcement of those provisions the person having the actual use or occupation of a dock, wharf, quay or warehouse or of any premises within the same or forming part thereof and the person so using such

machinery or plant shall be deemed to be the occupier of a factory." The process of loading and unloading at docks, wharves, and quays has in the United Kingdom been certified to be a dangerous trade and comes within the scope of the provisions of the Act referred to above regarding the making of regulations for such trades. There are, however, no analogous provisions in the Indian Factories Act, 1911, and the Government of India are disposed to consider that if it is decided to regulate hours of labour in docks the most suitable method of giving statutory effect to the decision would be to proceed by way of an amendment of this Act.

7. The Committee refer to the possibility of granting exemptions from the limitation on hours of work, and I am to request that this question may be considered. If the local Government is of opinion that the 3 hours' additional overtime would not be adequate to cover all contingencies, suggestions might be made regarding the definition of the conditions on which exemptions could be granted.

8. As regards the enforcement of these recommendations, if accepted, the Government of India would be glad to know whether the Local Government would have any objection to the duties of inspection being entrusted to the Factory Inspection Staff. I am to observe in this connection that an incidental advantage in amending the Indian Factories Act for the purpose of giving effect to the recommendations would be that the necessity for making separate provision for the appointment of the necessary Inspection Staff would be obviated.

Extract from the Report of the Royal Commission on Labour in India (Pages 187-189).

HOURS OF WORK.

The hours of work of dock labour vary from port to port, and there are no restrictions either on normal working hours or on overtime. Although the excess of labour is greatest in Karachi and Rangoon, in these ports the hours of work are longest. The day shift in Karachi extends to 12 hours in summer and to 11 in winter, with one hour's interval, while the men on the night

shift work for 11 1/2 hours without a break. A proposal to reduce hours was considered by the Port Trust, but met with opposition and the Trust decided not to pursue it. It was revived by a strike which occurred immediately after our visit, but, so far as we are aware, apart from a promise from the stevedores that they would not oppose any reduction which might be agreed to by the Port Trust, nothing has been done. In Rangoon the day as well as the night shifts are 11 hours in duration, without any interval except between the two shifts. In Madras the daily hours are also 11, but the workers are given an hour's interval in the middle of the day. In Bombay the men on the day shift work 9 hours and on night shift 8 hours, while in Calcutta the hours of work are between 7 a.m. to 5 p.m. with two intervals of half an hour each. Having regard to the heavy character of dock work, we consider that the normal hours of work in Karachi, Madras and Rangoon are unduly long. In the matter of overtime also there is need for protection. In Bombay we were informed that, if a ship is working continuously day and night, a gang is ordinarily required to work three consecutive shifts—a day, a night and a day, i.e., 25 hours excluding breaks. Payment is made at the same rate for all three shifts. Such excessive hours are both unnecessary and unreasonable, though it was stated that the men rest in turns while work is going on. The work of loading and unloading ships is more arduous than most forms of factory work and there is, in consequence, at least as much need for control in the one case as in the other. The maximum daily limit of 10 hours, which we have suggested for factories, is not suitable for docks, as, without a weekly holiday or a limit of weekly hours, this might involve too heavy a strain on the worker, particularly as overtime is necessary in certain cases where the employment of a different shift would not be practicable. We recommend that for docks the normal daily hours prescribed by law should be fixed at 9, but overtime should be allowed up to a maximum of 3 additional hours of work on any one day. In order to prevent an abuse of overtime, we recommend that payment for each hour of overtime work should be required at not less than 33 1/3% over the ordinary rates. It may be necessary for local Governments to provide exemptions to meet exceptional circumstances. As in the case of the safety

regulations, the enforcement of the measures relating to hours of work should be entrusted to the factory inspection department of the province. As the docks are situated in industrial centres, we do not think that this new field of inspection should involve any great increase of staff, particularly, if, as we anticipate, the co-operation of the port authorities is obtained.

Sir Alexander Murray considers that, in view of the irregular nature of the employment, it would not be unreasonable to initiate legal restrictions on the hours of work of dock labour in this country by fixing the normal daily hours at ten and allowing overtime up to two hours on any one day payable at not less than one and a quarter times the regular rate.

EMPLOYMENT OF CHILDREN.

As a result of the consideration given to the Washington Convention fixing the minimum age for admission of children to industrial employment, the Indian Legislature passed an Act in 1922 making it obligatory on the local Government to frame rules under the Indian Ports Act of 1908 prohibiting the employment of children under the age of 12 years "upon the handling of goods at piers, jetties, landing places, wharves, quays, docks, warehouses and sheds." Although such rules have been duly promulgated in the only port in which we found children employed, some children below the prescribed age were employed in the coaling of ships. We were uncertain if such employment was an infringement of the law, in view of the fact that the coaling was done on the waterside of the ship and not at a pier, jetty, etc., mentioned in the Indian Ports (Amendment) Act of 1922. Since our visit, an amending Act has been passed, which should put the matter beyond doubt. Provincial Governments are now required to frame rules prohibiting the employment of children under the age of 12 years upon the handling of goods "in any port subject to this Act." As in our view work of this kind is not suitable for children and a system of half-time working is not practicable, we recommend that the minimum age should be raised to 14 days. It should be the duty of the factory inspector to secure the due observance of the law in this respect.

APPENDIX I.

Summary of Recommendations.

DOCKS.

166. (*a*) The normal daily hours prescribed by law should be none, with overtime permissible up to three hours ;

(*b*) Payment for each hour of overtime should be required at not less than 33 1/3 per cent. over the ordinary rates;

(*c*) The minimum age of employment should be raised to 14 years ;

(*d*) Enforcement should be entrusted to the factory inspection department.

Letter No. 248 *dated* 25*th January* 1933 *from Chamber to the Government.*

In continuation of my letter of the 12th instant, I am directed by my Committee to offer the following observations on the subject of the recommendations of the Royal Commission on Labour in India regarding the fixation of the hours of work for dock labourers referred to in your letter No. 3508 of the 18th November last.

2. The first recommendation in "the normal daily hours prescribed by law should be 9, with overtime permissible up to 3 hours." While my Committee, taking a very broad view of the situation, are agreeable to endorse the principle of 9 hours of work, for dock labourers, they realise that there are several complicated aspects of the question which make it essential that the greatest consideration should be given to the views of the interests which employ labour in the docks. My Committee understand that the employers of labour in the docks were not given an opportunity to submit their views before the Labour Commission and they therefore hold that the acceptance of the principle of 9 hours of work in the docks must consequently be very carefully examined in the light of the several practical considerations which the different interests employing labour may have to urge either in favour or against it.

The migratory nature of the labour employed in the docks, the great fluctuation in the number of labourers employed from time to time according to the small or large number of vessels

loading or discharging in the docks, and the consequent inability to cope with the demands of the "peak" periods without working overtime, the control of toliwallas over their men which militates against the restriction of hours of work, the difficulty of replacing the usual shifts by outside unpractised and unskilled labour and the various exigencies of shipping, such as the necessity for catching the tide at a certain hour or the finishing of the ship within a stated time so that it may not go on demurrage, the sanitary and health regulations which make it incumbent that the same shift shall finish the working of the ship on the last day, irrespective of the number of hours of overtime for which it may have worked, etc. are some of the most important practical considerations which must be carefully weighed before decision is taken to enact the necessary legislation for restricting the hours of work of labour in the docks.

There are three important interests which employ and control the labour working in the docks, the Port Trust, the shipping companies though their stevedores and the muccadams who remove from and bring to the docks the cargo of shippers. In absence of a proper organisation of the labour and without a proper register of the labour working in the docks, it will not be easily possible to control the working of overtime in that area. Moreover, in the absence of a proper labour organisation and the spasmodic employment of people and the migratory nature of labour, it will not be easy to keep a register of labour as is usually done in a factory.

My Committee recognise that the labour working overtime in the docks should be paid a higher remuneration than what they would normally get pro rata per hour. They are, however, of the opinion that the conditions of labour and overtime vary at different ports and realise that there are several other aspects of the question which deserve careful thought. My Committee, therefore, hold the view that all questions connected with the scale at which overtime should be paid and the extent to which labour should be allowed to work overtime should not be laid down in a legislative enactment, but should be decided by the Principal Officer representing the Government of India in consultation with all the employers of labour in the docks at each port. This disposes of the second recommendation,

namely that payment for each hour of overtime should be required at not less than 33 1/3 rd per cent. Over the ordinary rates.

The third recommendation is that the minimum wage of employment should be raised to 14 years. So far as my Committee are aware, no child labour is employed in the docks in Bombay and they, therefore, have no objection to the acceptance of this recommendation. They, however, gather that so far as the handling of coal in certain ports is concerned, the practice has grown up of allowing children to carry the empty baskets. The legislature will have, therefore, to consider how far it is practicable to do away with the existing practice.

The fourth recommendation is that enforcement should be entrusted to the Factory Inspection Department. My Committee want to bring to your notice the fact that the Factory Department in India are absolutely innocent of shipping and that Department will not be the right department to understand and handle problems connected with shipping and labour employed in the docks. If there is to be any legislation, my Committee think that either it should be embodied in the existing Ports Act or a separate Act should be enacted for this purpose. As regards the machinery to be put up for seeing that the provisions of the Act are adhered to, my Committee consider it essential that only such people as have got actual practical experience of shipping should be appointed. They are of opinion that such machinery should be controlled by the Principal Officer representing the Government of India.

APPENDIX 57.

Exemption of Salaries and Wages from attachments.

Letter No. 4126 *dated* 16*th December* 1932, *from the Director of Information and Labour Intelligence, Bombay to Chamber.*

I am directed by Government to forward herewith for your information a copy of the Government of India, Department of Industries and Labour, letter No. L-3013 dated 25th November 1932 on the above subject and to request you to be so good as to furnish this office with the views of your Chamber on the questions set down in paragraph 8 of the letter.

2. I shall be glad if you will kindly send in your reply not later than 1st February 1933.

Letter form the Government of India.

I am directed to address you on the recommendation of the Royal Commission on Labour regarding the attachment of salaries and wages which is embodied in the paragraph of their report appended to this letter. The actual terms of the recommendation are that "the salary and wages of every workman receiving less than Rs. 300 a month be exempted entirely from the possibility of attachment," but it is clear from the concluding sentence or the paragraph that the Commission were disposed to favour the grant of such exemption to all persons receiving less than Rs. 300 a month, and in confining their recommendation to workmen, they were doubtless influenced by anxiety not to travel outside their terms of reference. The Government of India consider that it is desirable to review the question generally, and not solely with regard to industrial employees.

2. The present law is not easy to follow, and a brief exposition may be of some assistance. The substantive provisions relating to the attachment of salaries and wages in execution of decrees are those contained in clauses (*i*), (*l*) and the explanation of the proviso to section 60 (1) of the Civil Procedure Code. Clause (*l*) protects the wages of labourers and domestic servants without limit. Clause (*i*) protects the salaries of Government and railway servants up to one half of the employee's salary or forty rupees, whichever is greater. (The Commission's reference to a twenty-rupee limit applies only to debts due from co-operative societies, in respect of which there is a saving provision maintaining the law as it stood prior to 1925). But by the explanation to the proviso, the unprotected part of a Government or railway servant's salary becomes liable to attachment not merely after it is payable, but before it is due. This liability appears as an express provision in Rule 48, Order XXI, of the Code. In other words, as the Commission point out, it is possible to secure continuous attachment of this portion, whereas there is no such possibility in the case of private employees. Thus employees, in respect of the attachment of their wages or salaries in favour of creditors other than co-operative societies, are virtually divided by the law into three classes :—

(1) Labourers and domestic servants receiving wages up to any amount, and Government and railway servants drawing less than Rs. 40 per month have the whole of their wages or salaries exempted from attachment, both before and after they are payable ;

(2) Other Government and railway servants on salaries enjoy this protection in respect of half their salary (with a minimum of Rs. 40); but the remainder can be attached either before or after it is payable ;

(3) All other employees can have the whole of their wages or salaries attached after they become payable, but no part can be attached before it is payable.

3. The Commission apparently contemplated a single provision which would replace wholly or in part both clause (*i*) and clause (*l*) of the proviso to section 60 (1), but it is convenient to consider the two clauses separately as they are very different in their scope and effects. Dealing first with clause (*l*), the Commission are probably correct in believing that "labourers' here would cover only a few of those coming within the ordinary meaning of industrial labour (*c. f.* I. L. R. 5 Bombay 132). The Government of India are provisionally of opinion that it would be reasonable to enlarge the definition of "labourer" so as to cover at least the more poorly-paid industrial workers. They doubt, however, if the power to attach either wages or salaries after they are payable has any appreciable effect on indebtedness. Protection neither extends nor can extend after the money reaches the employee's hand, and unless the salary is large or there is a considerable accumulation unpaid, it would seldom be worth while to secure an attachment order which would operate only to prevent the payment of money already due. There would seem therefore to be no sufficient ground, so far as this clause is concerned, for granting exemption up to the comparatively high limit of salary suggested by the Commission, and if it is regarded as desirable that the persons to be exempted by this clause should be defined in terms of salary rather than in terms of occupation, a limit of Rs. 100 might be more suitable. Alternatively, the clause might be applied to "workmen" instead of "labourers",

"workmen" being left undefined or defined in the manner suggested by the Commission or in some other suitable manner.

4. Clause (*i*) of the proviso, with the explanation, has much more important effects, for the principle of continuous attachment which it introduces operates to increase very greatly the security of creditors lending to the persons to whom it applies. In its absence, public officers and railway servants could have their salaries attached only after they were payable and, as suggested above, this would be of little value to creditors. The State in fact, by this clause, ends to creditors the whole weight of Government authority against its own servants by providing a debt-collecting machinery from which there is no escape. The grounds on which the principle of "continuity of attachment" was introduced into Indian law are obscure ; but it seems to have been designed for the protection of public servants rather than of their creditors. Whatever its original purpose, there is good ground for believing that, by increasing the facilities of the persons it affects for obtaining credit, it contributes largely to the heavy indebtedness of certain classes of Government and railway employees. The Government of India understand that among railway and postal officials of the subordinate grades in particular, chronic indebtedness is widespread and they are disposed to agree with the Commission's view that such indebtedness can be largely traced to the case with which substantial sums can be borrowed. Decrees can be, and are, obtained requiring heads of departments and railway administrations to deduct and pay into court, month by month, a large proportion of the pay of those employees against whom attachment orders have been obtained ; and it is probable that for every case so coming to light, there are many others in which money-lenders have not been forced to obtain orders or decrees, but secure large payments of interest on the strength of their power to do so. The Government of India have already consulted the heads of Railway Administrations and of the Posts and Telegraphs Department on this subject and find them unanimous in favour of an amendment of the law.

5. Provisionally, therefore, the Government of India are disposed to the view that steps should be taken to diminish or abrogate the power of creditors to secure the continuous at-

tachment of the salaries of Government and railway servants, or of certain classes of these servants. This could be done (*a*) by extending the monetary limits laid down in the clause, and so giving complete protection up to a higher limit of salary, e.g., Rs. 300, as suggested by the Commission, or (*b*) by excluding certain classes from the operation of the clause, and thereby rendering their salaries liable to attachment only after they are payable, or (*c*) by excluding a substantial amount e.g., Rs. 100 plus a moiety of the balance from liability to attachment before it is payable, or (*d*) by a combination of these methods. The question is one on which the Government of India would be glad to have the opinion of the local Government, if it agrees that a change is required.

6. Reference has already been made to the proviso appended to clause (*i*) by which co-operative societies are given a favoured position as creditors. Whereas an attachment in favour of an ordinary creditor must leave an indebted Government or railway servant at least Rs. 40 of his salary, in the case of a co-operative society the limit is Rs. 20. The provision has no effect in the case of debtors whose salaries exceed Rs. 80; it merely gives co-operative societies a greater hold on the more poorly-paid Government servants. As the main object of any limitation is to secure that the debtor shall be left with sufficient for his livelihood, there does not appear to be much justification for permitting co-operative societies to leave the debtor less than other debtors are compelled to do, and the special provision might be abrogated. Alternatively, it might cease to apply to attachments of salaries before they are payable.

7. If any change is to be made in the law, the question of its effect upon pre-existing debts will require examination. It would seem, on the one hand, unreasonable to deprive creditors of a form of security which they may have taken into consideration before granting loans. On the other hand, the indefinite extension of the power to recover all debts by the old methods might lend itself to the evasion of the law in respect of fresh liabilities, and it would in many cases be difficult to distinguish between old and new liabilities. A possible compromise would be to permit of the execution by the old methods only of

decrees which had actually been obtained before the changes were introduced. Provided that a reasonable warning was given of the coming into force of any new measure that might be adopted, this should give creditors as much opportunity as they can equitably claim.

8. In conclusion, I am to set down the questions on which the Government of India would be glad to have opinions :—

(1) Is it desirable to extend the complete protection of wages from attachment to other classes than those at present included in clause (*l*) of the provison to Section 60 (1) of the Civil Procedure Code, and if so, how should these classes be defined ?

(2) Should the power to secure continuous attachment of the salaries of public officers or railway servants be curtailed, and if so, to what extent and in what manner ?

(3) What special provisions, if any, should apply to debts due to cooperative societies ?

(4) To what extent should any changes introduced apply to debt incurred before the changes were made ?

I am to suggest that public opinion might be canvassed on the question and opinions secured from those likely to be interested, and to request that a reply may be sent to this letter not later than 1st April 1933.

Extract from pages 231-32 of the Report of the Royal Commission on Labour.

ATTACHMENT OF WAGES AND SALARIES.

Our first recommendation in this connection refers to the recovery of debts through employers. Under the Civil Procedure Code, it is possible for a money-lender to secure the attachment of the wages of any one who is not a labourer or a domestic servant, and we understand that the majority of workers in organised industry would not be regarded as labourers within the meaning of the Act. But in respect of certain classes of employees, particularly railway servants and the servants of local authorities, the law allows the money-lender to use the employer

as his debt-collector to a much greater extent. In such cases it is possible to attach half of an employee's salary or the amount by which that salary exceeds twenty rupees a month, which ever is less. In some cases private employers are required to make similar recoveries, although the legality of this is doubtful. Thus, in the case of an employee in receipt of a regular salary, the money-lender can secure an order directing the railway administration to hand over, month by month, a large part of the employee's salary until the whole decree has been covered, a period which extends in some cases to years rather than months. The comparative security of railway service further increases the attraction of the railway servant for the money-lender, and all the evidence goes to show that the level of indebtedness in terms of wages is higher among railway servants than among industrial employees as a whole. This is itself a striking confirmation of our main thesis that it is the credit of the worker which is his undoing. We recommend that the salary and wages of every workman receiving less than Rs. 300 a month be exempted entirely from the possibility of attachment. If, on examination, there are found to be objections to applying this exemption to every one employed on a salary less than Rs. 300 a month, the definition of workman in the Workman's Compensation Act might be suitable.

Letter No. 206 *dated* 20*th January* 1933 *from Chamber to the Director.*

I am directed to acknowledge the receipt of your letter No. 4126, dated the 16th December, 1932, and send as under the views of my Committee on the above subject :—

My Committee are glad to note that, in considering the recommendation of the Royal Commission on Labour, regarding the exemption of wages and salaries from attachment, the Government of India desire to review the question generally and not solely with regard to industrial employees.

On the four questions on which Government have invited opinions, my committee submit their views seriatim as follows :

With regard to the first question, my Committee are of opinion that complete protection should be extended to industrial workers also.

As regards the second question, they consider that the limit of Rs. 40/-, above which attachment is granted under the present Law (Section 60 of the Civil Procedure Code) is obviously too low under the modern conditions. At the same time, the recommendation of the Royal Commission, fixing the limit at Rs. 300/- will, in the opinion of my Committee, be too high. They would, therefore, recommend that the power to secure continuous attachment should be curtailed, and the limit be fixed at Rs. 100/-, which should apply to all wage earners.

My Committee are not in favour of any special provisions being enacted in regard to debts due to Co-operative Societies, referred to in question, No. 3.

Regarding the fourth question, my Committee are of opinion that the new provisions should be applied to all such decrees, as may have been left undisposed at the time of coming into force of these new provisions along with future decrees.

APPENDIX 58.

Indian Mines Act—Amendment to

Letter No. 9683 G/28 dated 20th. October 1932 from the Government of Bombay, Revenue department, to Chamber.

I am directed by the Governor in Council to forward a copy of Government Resolution, No. 9683/28, dated the 11th October 1932, together with its accompaniments, and to request that Government may be favoured with the opinion of your Chamber on the questions dealt with in the letter from the Government of India accompanying the Resolution.

2. The reply to this reference may, please, be forwarded so as to reach Government not later than 16th January 1933.

RESOLUTION.—Copies of the letter from the Government of India and of its accompaniments should be forwarded to the Commissioner in Sind, the Commissioner, N. D., the Commissioner, S. D., the Collector of Bombay, and of the Bombay Suburban District, the Director of Industries, and the Commissioner for Workmen's Compensation, Bombay, with the request that they will favour Government with their opinion on the questions

dealt with in the letter after consulting such public associations (other than those mentioned in paragraph 2 of this Resolution) or individuals as they may consider interested in the subject.

2. Copies of the letter and of its accompaniments should also be forwarded to the Chambers of Commerce, Bombay and Karachi, the Indian Merchants' Chamber, Bombay, the Karachi Indian Merchants' Association, the Buyers and Shippers Chamber Karachi, and the Marwari Chamber of Commerce, Limited, Bombay, for favour of opinion.

Letter from the Government of India.

I am directed to address you on the subject of the amendment of the Indian Mines Act, 1923, with particular reference to the recommendations made by the Royal Commission on Labour shown in the appended schedule.

2. The most important question arising out of these recommendations is that of the regulation of hours in mines. By the Mines Act of 1923 weekly hours for miners were limited to 54 underground and 60 above ground. No limit was set to the daily hours and a certain number of coal miners continued to spend on occasion long continuous spells in the mine. A daily limit of 12 hours was imposed by the Act of 1928, with effect from 1930. This limit was not designed to reduce the total hours demanded of the miner ; in view of the weekly hours already in force, it was obviously quite ineffective for that purpose. It represented rather a first step towards securing a regular and reasonable distribution of the miner's hours in those mines where this had not already been achieved by the employer. There was naturally some criticism of a measure which countenanced so long a day as 12 hours, and it was generally recognized that this was by no means suitable as a permanent limit. In the Legislative Assembly there was a considerable body of opinion in favour of enforcing an eight-hour day and this was also the view of a minority of the Select Committee on the Bill. The remaining members of the Committee agreed that a system of eight-hour shifts was the system which should be gradually worked up to, but they considered that the safest course was to advance cautiously and they recommended that after the measure had been

in force for three years the situation should again be examined to see whether an eight-hour shift could then be introduced. The measure came into force in April 1930, and on the basis of this recommendation the examination should take place next year. The Royal Commission on Labour which reviewed the whole question came to conclusions similar to those reached by the Select Committee. The minority of the Commission advocated the reduction of the daily limit to eight hours, while the majority endorsed the recommendation of the majority of the Select Committee. So far as the weekly limits were concerned, the Commission recommended the reduction of the limit above ground to 54. Extracts from the Report of the Select Committee and of the Labour Commission are appended.

3. In the meantime, the question has also been raised by the adoption of the Draft Convention by the International Labour Conference held at Geneva in 1931. This Convention relates to coal mines only and prescribes that the hours of work should be limited to 7 3/4 hours a day in underground coal mines and to 8 hours a day, and 48 hours a week, in open coal mines. The Convention was framed solely with reference to conditions in European countries and the Government of India made it clear through their representatives to the 15th session of the International Labour Conference that they were not prepared to undertake in connection with the Draft Convention anything beyond an examination, in consultation with those best fitted to advise, of its provisions with a view to seeing how far these could be adapted to Indian conditions. The Convention was placed before the Legislative Assembly on the 24th February and the Council of State on the 2nd March 1932 and the following Resolution was adopted by both the Chambers :—

"This Assembly/Council having considered the Draft Convention limiting hours of work in coal mines adopted at the 15th Session of the International Labour Conference, recommends to the Governor General in Council that he should examine the possibility of reducing the statutory limits for hours of work in mines and that the results of this examination should be placed before this Assembly/Council."

4. Having regard to this Resolution and to the fact that about two and a half years have elapsed since the Act of 1928 came into full effect, the Government of India consider that the question might now be examined. So far as weekly hours are concerned, the Government of India are provisionally disposed to the view that hours above ground should not exceed 54. As regards underground work, such statistics as are available suggest that existing hours in most fields do not exceed on the average 48 weekly, and the Government of India would be glad if the possibility of a reduction to this limit could be carefully considered. In this connection, I am to observe that, whereas in the past considerable difficulty has arisen from the scarcity of mining labour, the supply of labour now seems to be generally in excess of the work available. At the present time, therefore, a reduction might be effected with little dislocation from the point of view of management, and with advantages to labour as a whole. But the question of weekly hours should not be examined without reference to the reduction that can be effected in the daily limit, for there would be distinct advantages in so fixing the daily limit as to make it possible to dispense with the weekly limit altogether. If this is to be attempted, the Government of India, while they are disposed to agree with the Select Committee that the eight hours shift should be the aim, doubt if it would be wise or even practicable, in present circumstances, to set so low a limit to the daily hours. If dependence is to be placed on a daily limit for preventing excessive hours, nine hours would seem to be as low a limit as is reasonable. With such a limit, the miner would be given much better protection than he has at present and the industry might be assisted by securing greater regularity of work, which, as the Labour Commission have emphasized, should be one of the main objects in the coalfields especially. At the same time, it would probably be unnecessary to attempt to reduce weekly hours below 54, and the weekly limit could be abrogated, thus greatly simplifying the problem of regulating hours. How far this is practicable is a question on which the Government of India particularly desire opinions ; but they hope that whatever solution is adopted, it will be possible to effect a substantial reduction in the present daily limit of 12 hours.

5. I am also to request opinions on three other recommendations of the Labour Commission, viz., Nos. 103, 104 and 107, set out in the schedule appended to this letter :

(*i*) At present no child under the age of 13 years may be employed in a mine, either above or below ground, or may enter any part of the mine which is underground. At page 129 of their report the Labour Commission recommend that this age should be raised to 14. The Government of India are disposed to agree with the Commission's view that since no large number of young persons are employed in mines the age could be raised without detriment to the industries concerned.

(*ii*) Section 20 of the Indian Mines Act requires the owner, agent or manager of the mine to give notice of an accident occurring in or about the mine only where it causes loss of life or serious bodily injury. The Labour Commission recommend for the better maintenance of safety statistics and for the better check of the Workmen's Compensation Act, that the law should require a report of all accidents in mines likely to involve enforced absence in excess of the waiting period under the Workmen's Compensation Act. The waiting period under the Act is at present ten days, but in a Bill before the Legislative Assembly a proposal has been made to reduce this period to seven days. As this proposal is based on another recommendation of the Commission, it was presumably intended that the shorter of these two periods should be adopted in the Mines Act. The Indian Factories Act already requires reports of actions causing the disablement of any worker for a period of 48 hours, and the acceptance of the Commission's proposal therefore would still make the demand on mine managers less than those regarded as necessary in the case of factories.

(*iii*) Section 22 of the Mines Act leaves it to the discretion of the local Government to publish at such time and in such manner as it may think fit any report submitted by a committee or a court of inquiry under the Act. The Commission's proposal is to amend the law so as to make it

obligatory upon the local Governments to publish such reports. The British Coal Mines Act requires the Secretary of State to cause the report of a court of inquiry to be laid in full before both Houses of Parliament. There would appear to be no objection to granting publicity to all such reports in India.

6. I am to ask that representative organizations of mine employers and mine workers and such other public associations or individuals as may be interested in the subject may be consulted on the questions raised in this letter and that a reply may kindly be submitted so as to reach the Government of India by 1st March 1933. For the convenience of those consulted, I am to summarise the points on which opinions are desired, viz:—

(1) what are the most suitable limits to the daily and weekly hours of work—

(*a*) above ground, and

(*b*) underground ?

(2) should the present minimum age for children be raised and, if so, to what extent ?

(3) should mine managers be required to report all accidents likely to involve the enforced absence of any worker in excess of seven days ?

(4) should it be obligatory for local Governments to publish reports of a committee appointed under section 11 or of a court of inquiry appointed under section 21 of the Mines Act ?

Extracts from the relevant documents are appended.

Letter No. 453 *dated* 10*th February* 1933 *from Chamber to Government of Bombay.*

In continuation of this office letter No. 221 dated the 21st January, 1933, I am directed by my Committee to send as under their views on the following four points raised by the Government of India on the subject referred to above :—

1) (*a*) The present hours of work aboveground, viz., 12 hours a day, with a weekly limit of 60 hours, should on no account be changed.

(*b*) The working day underground should be a 10 hours-day, without any weekly limit. The Committee are opposed to the proposal to reduce it to 9 hours.

2) The Committee approve of the proposal to raise the minimum age for children to be admitted for work from 13 to 14.

3) The Committee are of opinion that it should not be made obligatory for the mine management to report all accidents, which are likely to involve the enforced absence of any worker for more than seven days, as the same is not practical.

4) The Committee have no objection to Reports of the Courts of Enquiries, under the Mines Act, being published.

APPENDIX 59

Payment of Wages Bill.

Letter No. 813 *dated* 24*th March* 1933 *from the Director of Information and Labour Intelligence, Bombay to Chamber.*

I am directed to forward herewith for your information one copy of each of the following :

(1) Letter No. F 106-1/33-A dated 21st February 1933 from the Government of India in the Legislative Assembly Department ;

(2) A Bill to regulate the payment of wages to certain classes of persons employed in industry together with Statement of Objects and Reasons ;

(3) An extract from the Legislative Assembly debates dated the 14th February 1933 regarding the Bill

and to request you to favour Government with the views of your association on the provisions of the Bill by the 10th May 1933 at the latest. If you will be so good as to inform me of the number of additional copies of this letter and the Bill and the contract from the Assembly Debates if any which you require they will be forwarded to you.

2. I would remind you that the Labour Office conducted an enquiry in 1924 on behalf of the Government of India into the method of payment of wages ; namely, (1) after what intervals wages are paid, (2) the number of days elapsing between the date on which payment is due and the date on which payment is effected, and (3) the facilities, if any, given by employers to their employees for obtaining rations. The results of this inquiry were published at pages 491 to 502 of the January 1925 issue of the *Labour Gazette*. In July 1926, the Government of India in the Department of Industries and Labour addressed all Local Governments inviting expressions of opinions on the question of providing legislation for ensuring the prompt payment of wages. The Labour Office on behalf of the Government of Bombay consulted various associations and unions of employers and workers on the proposals made by the Government of India, and a classified summary containing the views of the principal non-official organisations consulted was published at pages 513 to 532 of the February 1927 issue of the *Labour Gazette*.

3. The Government of India, in the Department of Industries and Labour, also in 1926 asked all local Governments and Administrations to furnish them with information on the extent of the practice in India by which employers in industrial concerns are empowered to inflict fines upon their workmen ; and to favour them with their views on the desirability of taking any action, legislative or otherwise, to counter any abuses which might be found to prevail. Under instructions from the Government of Bombay the Labour Office conducted a comprehensive inquiry into the subjects by means of a special schedule drawn up for the purpose, and received returns from about 1,300 industrial and other establishments in the Presidency. The results of the inquiry were published in the form of a special report (price Rs. 1-7-0 per copy) in 1928. A summary of the results of this inquiry was published at pages 749 to 758 of the April 1927 issue of the *Labour Gazette* This summary was circulated to selected bodies and persons interested in the subject for their views as to the necessity or otherwise for legislation in the matter. The classified summary of the opinions offered by the principal non-official organisations consulted was published in the issue of

the *Labour Gazette* for August 1927 (pages 1103 to 1129) and September 1927 (pages 49 to 63.)

Letter from the Government of India.

With reference to the Debates of the Legislative Assembly of the 14th February 1933, I am directed to forward herewith copies of the papers noted in the margin and to request that the Governor in Council will favour this Department with an expression of his opinion on the provisions of the Bill and with the opinions of the Honourable the Judges of the High Court and of such selected officers and other persons and associations of employers and workers as the Governor in Council may think fit to consult on the subject.

2. I am also to request that the Bill and Statement may be published in the Bombay Government Gazette in English and in such other languages as the Governor in Council may deem proper, and that the dates of such publication may be communicated in your reply.

3. The reply to this letter should be sent in duplicate by the 1st July 1933.

1. Bill as introduced with Statement of Objects and Reasons.

2. Extract from the Legislative Assembly Debate dated the 14th February 1933 regarding the Bill.

Letter No. 1435 *dated 24th May* 1933 *from Chamber to the Director.*

I am directed by the Committee of this Chamber to send to you hereby their views on the above Bill :

My Committee have considered the aims and objects of the Bill and Clause 3, which is the main clause thereof, designed to secure that wages shall ordinarily be paid within seven days from the expiry of the period during which they were earned In 1926, when the Government of India sent round an enquiry about the delays in payment of wages in various industries, my Committee had observed that in textile mills in Bombay wages were paid as a rule before the 15th of every month. It must be borne in mind that calculation of wages and specially those for

piece-work basis, is a complicated and laborious process. It is, therefore, invevitable that under such circumstances some time has necessarily to elapse before the actual payment of wages. My Committee are not satisfied that any case has been make out particularly in regard to the textile industry justifying the proposal regarding payment of wages within a week on the ground of the alleged uudue delay in the actual payment thereof. They, therefore, reiterate their view expressed in 1926 that there is no necessity for legislation regarding payment of wages and, as such, are opposed to the Bill under reference.

With regard to the other clauses of the Bill relating to the question of deduction of fines from wages, the same being technical pertaining to various industries concerned, my Committee do not wish to express any views thereon.

APPENDIX 60

Periods of Wage Payment.

Letter No. 1044 *dated* 12*th April* 1933 *from the Director of Information and Labour intelligence to Chamber.*

I am directed to forward herewith a copy of the Government of India, Department of Industries and Labour, letter No. L-3009 dated the 27th March 1933 with enclosure on the above subject and to request you to furnish this office with the views of your Chamber in the matter on or before the 1st August 1933.

2. A limited number of additional copies of the letter under reference together with enclosure will be forwarded on application.

Letter from the Government of India.

I am directed to address you regarding the proposals of the Royal Commission on Labour regarding legislation to regulate the periods of payment of wages for workmen. The subject is discussed by the Commission in the appended extract from their Report. The proposals on which the Government of India now desire to be advised are those contained in the last paragraph of this extract.

2. The Commission's proposal is coupled in their report with proposals for preventing undue delay in the payment of wages. The latter have been embodied in the Payment of Wages Bill, which has been circulated by direction of the Legislative Assembly. But the Government of India felt that on these more novel and, in their view, more debatable proposals it was necessary to consult public opinion before forming a conclusion.

3. The Commission themselves recognize that their proposals are not likely to make strong general appeal to those directly affected by them. Further, while they are satisfied that an advance in the direction indicated would have important effects in reducing indebtedness and inefficiency, their recommendations for legislation are obviously experimental in character. They are designed, in fact, to pave the way for larger changes' the ultimate ideal in view being the general adoption of a weekly system of payments. One question which therefore arises is whether it would not be better that experiments should be made on a provincial rather than an all-India scale. The variations already prevailing throughout India even in the same industry show that the lack of uniformity in this matter has not been felt as a handicap by industrialists, and objection could hardly be taken on this score to provincial legislation. I am to request therefore that in addition to advising whether any all-India legislation is desirable the local Government will consider whether there are grounds for the introduction of a provincial measure.

4. I am to request that after consultation of public opinion a reply may be sent to this letter not later than the 31st October 1933.

Extracts from Pages 236-240 of the Report of the Royal Commission on Labour in India.

PERIODS OF WAGE PAYMENT.

The other feature which adds to the embarrassment of the workers in many centres is the comparatively long period in respect of which wages are paid, and the delay which is apt to occur in their payment. The most usual period, and the delay which is in organised industry is the month. Monthly payment

is practically universal on the railways and in most other form of transport, it is general in cotton textile mills except in Ahmedabad and Cawnpore, and is common in engineering and metal factories. The most important exceptions to the practice of monthly payment, so for as factories are concerned, are the jute mills, in which the operatives are paid weekly, the Ahmedabad cotton mills which pay approximately fortnightly, and the bulk of seasonal factories. Monthly payment is rare in the mining industries; the Raniganj coalfield pays wages daily and the great majority of mines elsewhere pay weekly. Casual labour naturally tends to be paid daily and unskilled labour in unorganised industry, if not employed by contractors, is often so paid.

DELAYS IN PAYMENT.

With the prevalence of long periods of payment there is a tendency to allow a comparatively long time to elapse between the end of the period in respect of which a wage has been earned and its actual payment. Where wages are paid monthly, it is the exception for the worker to receive his wages at any time in the week following the end of the month. Ten to fifteen days usually elapse before he gets his money, and it is not infrequent for the delay to exceed 15 days. With shorter periods of payment than the month, there is generally less delay. Fortnightly wages are seldom retained for more than 10 days and are frequently paid in from 3 to 5 days. Weekly wages are hardly ever withheld for more than a week and may be paid very promptly while daily wages are usually paid on the day on which they are earned.

WEEKLY PAYMENTS BILL.

The only attempt so far to deal with these questions by legislation was made in 1925 when a private Bill was introduced in the Legislative Assembly with the intention of enforcing the general adoption of weekly payments to employees. The measure was circulated for opinions and those received were almost unanimously unfavourable to it. It was opposed generally by employers and the provincial Governments. It was asserted with some confidence in many quarters that the workers were opposed to the reduction of the period. On the second reading

in 1926, the Government of India opposed the measure and made it clear that in their view the aim should be to reduce the delay which took place in the payment of wages and not to reduce the period of payment. On an assurance being given by Government that this latter question would be investigated, the Bill was withdrawn by its sponsor.

DELAYED PAYMENT AND DEBT.

In the discussion of both these questions, stress was laid on their bearing on indebtedness. While we recognise the injustice of withholding wages for longer than is necessary to ensure their calculation, we do not believe that the existence of a fairly long waiting period as and effect on the indebtedness of the worker which is at all comparable with the effect of paying wages monthly. Provided that the delay in payment is of uniform length (and this is usually the case) the only effect of the waiting period is to increase the time which elapses before the first wage is paid. For example, to take a frequent case, if monthly wages are paid about a fortnight after the end of the month, the effect of the waiting period is to increase from a month to about six weeks the initial period of service without wages. The mere reduction of this period to, say, five weeks would be of some assistance; but it would seldom place the worker in a position to dispense with fresh borrowing.

SHORT WAGE PERIODS AND DEBT.

The reduction of the wage period itself, on the other hand, would have important effects. Long intervals, between wage payments invariably add to the embarrassments of the poor, and have an appreciable influence in binding the worker to the money-lender. The mere purchase of goods on credit is not necessarily equivalent to running into debt and the shopkeeper (who is often the money-lender) frequently does not charge interest on the current account for provisions. But he gets the equivalent of interest in an enhanced price and where the worker has already other debts, a month's credit is a distinct and insidious addition to his burden. It strengthens the chain which holds him to his creditor, and it acts as an additional obstacle to the habit of saving. Some workers spoke to us of

the advantage they would secure from weekly wages in being able to do more purchasing in cash, and we believe that the general adoption of weekly payments would have important effects in this direction. A shorter period of payment should also improve the worker's financial position in other ways. The illiterate worker tends to take a short view; the longer view of life is largely a matter of education. It is, therefore, of particular importance in his case that the connection between cause and effect should be as short and obvious as possible. Where payment is on piece rates, there is a distinct tendency for the standard of work to improve as pay-day approaches. We believe that a reduction in the period would have a definite effect on efficiency. It would also assist the worker to more judicious expenditure. It is unfortunately impossible to produce conclusive proof of our view by a comparison of the position of those workers who are paid weekly or fortnightly with that of the monthly-paid workers. Accurate statistics of indebtedness are not available and, even if they were, the differences of race and training between workers in different centres and upon them. We believe it to be a fact that the coal miner, who is paid weekly or daily, is much less in debt, in proportion to his income, than the railway worker, who is paid monthly ; but the differences between the two cases in respect of the other factors which can affect indebtedness is so great that no deduction can safely be drawn from the fact. It should be added, however, that a number of employers who pay monthly make advances against wages to their workers during the month. In a few instances interest is charged. Advances are sometimes given systematically on a particular day and may represent a substantial fraction of the monthly wage. Such cases represent an approximation to a system of half-monthly payment, and the position of the worker is made easier. In most establishments, however, no advances or only very small advances are granted.

ATTITUDE OF LABOUR.

While many employers are naturally opposed to proposals to compel them to introduce a system which would involve extra trouble and some extra expense, we believe that others

would be ready to pay wages by shorter periods if they were convinced that their workers wanted it. When the Weekly Payments Bill was under discussion, the evidence of opposition to change on the part of the operative seems to have had a considerable influence, and we have directed some attention to this point. As a result it is not possible to indulge in any generalisation on the question. The leaders of labour realise the possibilities which a shorter period offers, but there cannot be said to be any widely voiced demand for change. Indeed, whether the employer has paid monthly, half-monthly, fortnightly, weekly or daily, the workers have nearly always acquiesced, and the majority are so heavily indebted that the gain which a change of period might bring appears trifling when compared with the possible inconvenience or danger. Thus in some branches of industry, and especially on railways, particular privileges are apt to be accorded a monthly paid men and not to others. In such cases, the proposal to reduce the period naturally creates apprehension. With a few, there is a sense of prestige attaching to monthly payments, and in some cases the system of advances goes far to overcome the disadvantages of monthly payment. More potent with many, probably, is the fear of a disturbance of relations with money-lenders, shopkeepers and landlords, who are naturally unwilling to alter their systems of accounts. Small groups of workers who can only pay their bills monthly if paid fortnightly, may be placed in a difficulty, and this is not likely to be overcome unless employers in a particular centre of Government enforce a change in respect of large numbers of workers. The introduction of a short period of payment, like some of our other proposals, may involve an addition to the nominal or real rate of interest on the reduced sums that will be borrowed, but here again we fall back on our main proposition regarding the danger of credit. To give the money-lender greater security in respect of recoveries, e.g. by compelling all employers to collect his debts, would bring down the interest rates, but it would be ruinous to the borrowers. We wish to make the borrowing of substantial sums difficult, not easy. A reduction of the period would enhance the difficulties of collecting debts and would thus assist in securing that reduction in the worker's capacity so borrow which we believe to be of such fundamental impor-

tance. Finally, in a number of cases, the opposition of the jobbers to a change is influential. These men, who are frequently money-lenders themselves and sometimes act as intermediaries in securing loans, and whose anxiety not to relax any hold over the workers is greater than that of the employers, are not likely to favour any step which tends to make the workers more independent.

DESIRABILITY OF WEEKLY PAYMENTS.

Our conclusion then is that the prevalence of a monthly period of payment is not in the best interests of the employees. We recommend the general adoption of a system of weekly payments in the belief that it will have important effects on both welfare and efficiency. The advantages to be gained are, in our view, so obvious and definite that the State would be justified in intervening to enforce the general adoption of weekly payments if this could be secured without an unreasonable amount of dislocation to industry. At the same time, we are alive to the advisability of proceeding gradually in matters of this kind. There has previously been no attempt in India to regulate the period of wage payment, and it is quite possible that even if the assent of employers is secured the opposition of the jobbers and others who are interested in perpetuating the present system may have serious results. While we would urge on employers everywhere the adoption of the system of weekly payments, we are not prepared to advocate their general enforcement by Government at the present time. It is better to take a preliminary step in that direction in the hope that the wise employers will themselves go much further than the law demands and the others may at a later date be convinced by the results secured.

LEGISLATION FOR SHORTER PERIOD.

Our proposal is that in the textile industries, railway and engineering workshops and iron and steel works the law should require payments of wages to the process operatives at intervals not exceeding 16 days. This will enable textile employers to pay wages either twice a month, or fortnightly, or weekly or by other short periods. It will also render possible the continuation of the system at present prevailing in Ahme-

dabad where wages are paid on a *hapta*, which is a period varying from 14 to 16 days according to the convenience of each particular mill. The law should also confer on the appropriate authority the power to extend a similar provision to other industries or classes of operative either generally or in particular centres. We suggest that the first case examined in this connection should be that of railway workers outside the workshops. There are difficulties here in the matter of payment which do not arise in other industries, but in the case of certain important classes of workers the period of wage payment might advantageously be reduced. It is, however of the utmost importance to ensure that if any reduction is made, no worker forfeits any privilege or concession which is attached to payment on a monthly basis. Diwan Chaman Lall considers that the payment of wages weekly should be made statutory.

Letter No. 1749 *dated* 23*rd June* 1933 *from Chamber to the Director.*

I am directed by the Committee of this Chamber to acknowledge the receipt of your letter No. 1044 dated the 12th April 1933, regarding periods of wage payment, and to send their views as under :—

My Committee have carefully considered the reference regarding legislation to regulate periods for payment of wages to workmen on the recommendation of the Royal Commission on Indian Labour, and they support the same.

With regard to the question, whether the proposed legislation should be of an All-India or of a Provincial nature, my Committee are of opinion that the same should be an All-India measure.

APPENDIX 61.

The Trade Disputes Act.

Letter No. 2232 *dated* 27*th June* 1933 *from the Labour Commissioner, Bombay, to Chamber.*

I am directed to forward herewith for your information one copy each of the following ;

(1) Letter No. L-3005 dated the 14th June 1933 from the Government of India, Department of Industries and Labour ;

(2) Extract from chapter XVIII of the report of the Royal Commission on Labour in India ; and

(3) The Trade Disputes Act, (not reproduced) and to request you to favour Government with the views of your chamber on the following points, viz., (1) the desirability of converting the Trade Disputes Act to a permanent measure, and (2) the amendments that should be made in the Act. If you will be so good as to inform me of the number of additional copies of the above documents, if any, which you require they will be forwarded to you.

2. I shall be glad if you will kindly arrange to send in your reply by the 1st October 1933, at the latest.

Letter from the Government of India.

I am directed to address you regarding the desirability of continuing the operation of the Trade Disputes Act (VII of 1929) and of amending it in certain respects.

2. The Act, as it at present stands, will expire on 7th May 1934, and the first question which arises is whether its operation should be extended indefinitely or for a further limited period. Provisionally, the Government of India are disposed to the view that a measure of this type is necessary and that it might be converted to a permanent Act. If this view is accepted, it will be necessary to pass an amending Bill deleting sub-section (4) of section 1 before the Act expires and it will be desirable to consider in this connection, possible improvements in the Act. A reference is invited to Chapter XVIII of the report of the Royal Commission on Labour and particularly to the extract from that chapter appended to this letter.

3. The Act, excluding sections 1, 2 and 19 which are complementary to the operative provisions, falls into three parts. Sections 3 to 14 provide methods and machinery for the investigation and settlement of trade disputes. Section 15 is designed to prevent strikes without notice in public utility services. Sec.

tions 16 to 18 are intended for the protection of the community against general strikes which are not purely trade disputes. It will be convenient to discuss these parts separately.

INVESTIGATIONS & SETTLEMENT OF TRADE DISPUTES.

4. This part of the Act is based mainly on the British Industrial Courts Act, but differs from that statute in certain important directions. It does not set up a standing Industrial Court, it does not provide specifically for settlements by arbitration, and it does not contain any general provision on the lines of section 2 (1) of the Industial Courts Act which reads as follows :—

> "Any trade dispute as defined by this Act, whether existing or apprehended, may be reported to the Minister by or on behalf of either of the parties to the dispute, and the Minister shall thereupon take the matter into his consideration and take such steps as seem to him expedient for promoting a settlement thereof."

The Labour Commission discuss the possibility of permanent Courts, but do not favour their establishment, and the experience of recent years does not suggest that machinery of this type is required in India. On the other hand, the Commission lay stress on the absence of any systematic provision for the settlement of trade disputes apart from what they describe as the "heavy artillery of the Trade Disputes Act." They observe that "the most useful form of State assistance in dealing with trade disputes is scarcely employed in India " and that "India has tried to copy the less valuable part of the machinery employed in Great Britain whilst ignoring the most valuable part."

5. This is borne out by experience both in India and in Great Britain. During the four years of the operation of the Trade Disputes Act only two Boards of Conciliation and two Courts of Enquiry have been appointed under the Indian Act, while over 500 trade disputes actually culminating in stoppages of work have occurred in India during that time. In the United Kingdom the formal appointment of Boards of Conciliation or individual conciliators under section 2 (1) of the Conciliation Act, 1896, is comparatively rare and several years may pass without the appoint-

ment of any Court of Enquiry under the Industrial Courts Act. Arbitration settlements by the Industrial Court or other arbitrators are more frequent. But, as the Labour Commission point out, official assistance in industrial disputes is given mainly by conciliation officers and other officials. While such officers frequently participate in formal conciliation proceedings, their services are utilized much more often in an informal manner before discussions between the parties reach the stage of actual disputes. Attention is in fact concentrated more on the prevention than the settlement of labour disputes. Experience thus suggests that if Governments in India are to give more active assistance in preventing industrial strife, they must ordinarily employ some other and simpler machinery than that provided by the present Act. The Government of India believe that such assistance might with advantage be given more frequently. But they are doubtful if any legislation is necessary for this purpose, particularly as the Labour Commission do not suggest that officers undertaking the work of conciliation should do so under some statutory sanction. They will however be prepared to examine any suggestions for providing within the Act itself some additional machinery for the prevention of trade disputes.

6. Certain amendments of detail in the sections of this part of the Act have been suggested to the Government of India :—

(*i*) The Government of Bombay and the Court of Enquiry appointed to deal with railway retrenchment in 1932 have both pointed out that in section 3 the phrase "between an employer and any of his workmen" is unsatisfactory. This phrase, which is not found in the corresponding British provision, introduces an inconsistency which will be apparent if the definition given in section 2 (*j*) is substituted for the words "trade dispute," and it has given rise to inconvenience in framing an order under the section. For the precision of the pharse necessitates the specification of at least all the employers concerned, although they may be acting in an association. The omission of the phrase would enlarge the scope of the section by bringing in disputes

between workmen and workwomen, but the Government of India consider that such an enlargement might be advantageous on occasion and they are therefore disposed to favour it.

(*ii*) The amendments suggested by the Labour Commission in section 13 and certain other amendments of that section were made by Act XIX of 1932. The Commission also throw doubt on the necessity for retaining any criminal sanction in this section. There is no such provision in the British Act but, with the safeguards now provided, it is perhaps unnecessary to make a further amendment.

PUBLIC UTILITY SERVICES.

7. The criticisms and the suggestions made by the Labour Commission in the paragraph dealing with this subject deserve consideration ; but the Government of India are very doubtful as to the desirability of altering this section of the Act at the present time. The only restraint imposed by section 15 on employees lies in the requirement of fourteen days' notice of a strike, and this by itself can hardly be regarded as warranting the conferment of a right to official investigation of any difference that may arise. Further, the safeguards suggested by the Commission are as they recognise, unlikely to afford complete protection against the serious dangers to which they refer. A possible alternative would be the prohibition of strikes in pursuance of disputes which were under reference to a Board or Court ; this is an extension which could be applied to all forms of employment and not merely to public utility services.

8. When the present Act was under consideration in the Legislative Assembly a proposal was made to enlarge the definition of public utility service in section 2 (*g*) by adding tramway services. The Government of India consider that the case for including tramway services is weak as these seldom have a monopoly of transport in areas they serve and the stoppage of work can generally create little more than a certain amount inconvenience to the public. The case for including inland steamer services is stronger, as in certain parts of the country these form

an essential means of communication. Provisionally, therefore, the Government of India are disposed to agree that they might be included, but they will be glad of the views of the local Governments on the question.

ILLEGAL STRIKES AND LOCK-OUTS.

9. So far as the Government of India are aware, no such dispute as is contemplated by sections 16 to 18 has arisen and the Labour Commission offer no comments on this part of the Act. In the circumstances, there would seem to be no call to amend these sections; but the Government of India will be prepared to consider any suggestions made in this connection.

10. In conclusion, I am to refer to an amendment moved in 1929 to the Trade Disputes Bill which, if it had been adopted would have added a clause to the Bill prohibiting picketing in connection with disputes which were under references to Boards and Courts. The amendment was rejected, but an undertaking was given that it would be dealt with in connection with the amendent of the Act. Provisionally, the Government of India consider that it is not open to any objection of principle, but they doubt if it would be of much value. The reference to Board or Court is ordinarily sufficient to secure a continuance or resumption of work during the enquiry. If the law is to be altered, it would be more logical to introduce a provision of the kind indicated at the conclusion of paragraph 7 of this letter and to prohibit the stoppage of work itself rather than the adoption of particular methods in support of a stoppage. But the Government of India doubt if any such provision is required.

11. I am to request that after consultation with the interests concerned, the local Government/you will favour the Government of India with their/your views on—

> (1) the desirability of consulting the Trade Disputes Act to a permanent measure, and (2) the amendments that should be made to the act.

The reply to this letter may kindly be sent so as to reach the Government of India not later than the 31st October 1933.

Extract from Chapter xviii of the Report of the Royal Commission on Labour in India.

FUTURE LEGISLATION.

There ramains the question of the assistance that should be afforded by the State in the settlement of disputes. We have already given a very brief outline of the Trade Disputes Act of 1929 and of the almost continuous Exploration of the subject during the ten years which preceded its enactment. As this involved a far more thorough examination of the subject than has been possible for us, and as little experience has yet been gained of the Act in operation, we feel some hesitation in discussing its provisions, and cannot attempt any detailed review. We note, however, that the Legislation, limited the operation of the act to five years. We do not doubt that some statutory machinery will be permanently required to deal with trade disputes, and it will be necessary to consider the form which such machinery should take before the Act expires in the first half of 1934. The best service we can render is to refer to some of the views expressed to us in this connection and to offer comments on a few of the outstanding questions which arise. By so doing we may be able to stimulate thought on these questions in advance of the time when it will be necessary to make a decision.

DEMAND FOR COMPULSION

We note in the first instance the anxiety of a section of public opinion for the introduction of the principle of conpulsion, either by making obligatory the reference of disputes to arbitration or by the enforcement of the awards of such tribunals as may be appointed to deal with disputes. As regards the compulsory reference of disputes to arbitration, there is in every important dispute a tendency for a section of public opinion to demand official action. This is due, in the main, to a feeling that in most industries the lack of organisation on the part of the workers makes it difficult for them to state their case effectively and to press their just claims. We are also impressed by the success which has attended the efforts of committees or individual arbitrators in the past but it must be remembered that such authorities have generally been appointed only

in cases where there was a distinct possibility of their achieving success.

OBJECTIONS TO COMPULSION

On the other hand, the objections to any scheme involving the compulsory reference of all disputes to arbitration are formidable, quite apart from the practical difficulties that confront such a proposal. We believe that the effect on industry would be disastrous if there was a general tendency to look to some external authority to preserve industrial peace and to discourage settlement by the industry itself. But, if it is accepted that every dispute cannot be referred it follows that discretion must remain with some authority to determine when the statutory machinery should be invoked, and it is difficult to suggest any better authority than Government for this purpose. We hope, however, that, in the remaining period for which the present Act will be in operation, Governments will lose no opportunity of utilising their power to appoint Boards or Courts when they believe that this action will serve some useful purpose. There seems to be a tendency at present for Government to withhold their hand until a dispute has attained serious magnitude and constitutes a threat to the public peace. There may be a case for the appointment of a tribunal, even if there is little danger of disturbance and no clamant demand for action on the part of the public.

ENFORCEMENT OF AWARDS

The other direction in which it has been suggested that compulsion should be applied is in respect of the enforcement of awards. The view that a finding reached by a properly balanced and *quasi*-judicial body should not be liable to rejection by either of the parties is intelligible. Moreover, advocates of this view can point to the embodiment of it in ceetain legislation elsewhere. We doubt, howe ver, if those who advocate it are fully conscious of the difficulties involved. It would be impossible to coerc large numbers of men into accepting terms on which they are unwilling to work and the parties would thus enter into the arbitration on an unequal footing. Further it seems to us that if an award is to command sufficient

confidence to justify its enforcement, it must rest, like a judicial findings on the appllication of criteria which are accepted beforehand by the public. In other words, the principles which are to guide the tribunal's decision must be formulated in legislation. Even in respect of wages we doubt if any satisfactory criterion for an equitable, as distinct from a minimum, wage is available; and this is only one of the questions that can come before a tribunal.

PUBLIC UTILITY SERVICES.

The public utility services stand in a different category. Section 15 of the Act embodies the principle that those responsible for the maintenance of the services essential to the safety, health and welfare of the community shall not discontinue work without notice. The principle is accepted in a number of other countries and had found a place in certain other Indian Acts long before the Trades Disputes Bill was introduced; but it is not one which commands by any means universal assent. In our view the weakest point of the Indian provision is that, while it restricts the powers of workers in public utility services to coerce their employers, it gives in return no assurance that their grievances will receive a hearing. We have made elsewhere proposal to alter the position of railway workers in this respect. With regard to the other classes to whom the section applies, we think the question of providing means for the impartial examination of disputes should have early consideration. The danger that must be faced here is that the external machinery set up for arbitration may be invoked without adequate cause, *e. g.*, that strike notices may be sent whenever a workman is dismissed, and that there may be a corresponding dissinclination to settle dispute internally. This danger can be minimised in various ways, *e. g.* by making arbitration conditional on a definite failure of the parties to reach agreement in a reasonable time and on a substantial measure of support for an application, and by requiring a deposit of money with each application. The deposit required, which could be forfeited if the application proved to be trivial or vexatious, should not be larger than is necessay for the purpose in view.

PERMANENT COURTS.

A further question which deserves attention is that of the establishment of permanent courts in place of the *ad hoc* tribunals for which the Act provides. A permanent tribunal would have two advantages. In the first place, its existence would eliminate the delay inevitable in constituting tribunals under the present scheme. By experience it would acquire intimacy with industrial question and facility in dealing with them. On the other hand, it is important that the members of a tribunal should command the confidence of the parties, and there are frequently persons who, though eminently qualified to assist in settling one dispute, might be of little service in connection with another. Nor would it be easy to find non-official who are prepared to serve on any tribunal when called. A possible alternative to a permanent court in the leading industrial provinces would be the appointment of a permanent official chairman with whom different members could be associated in different cases, but there is nothing in the present Act to prevent a local Government from re-appointing the same chairman in each dispute.

AMENDMENT OF THE TRADE DISPUTES ACT.

In respect of one section, we recommend an immediate amendment of present Act. Section 13 is designed to prevent the disclosure by members of Courts or Boards of confidential information relating to trade unions or individual business. The main part of the section follows generally the British Act, but to this are appended provisions rendering any member of a Court or Board liable to prosecution at the instance of the person aggrieved by a wrongful disclosure. The members do not receive the protection against criminal prosecution ordinarily granted to public servants in respect of acts done in the execution of their duties, nor is it necessary for the prosecution to show that the disclosure was wilful or to prove that any injury has been done. Moreover, no protection appears to be granted against a civil suit. We are inclined to doubt if a criminal prosecution is at all appropriate, at any rate in connection with a disclosure in an official report. It would perhaps be sufficient in a temporary Act of this kind to provide that no prosecution or suit should be maintainable on

account of any breach of the section or any damage caused thereby, except with the previous sanction of the Government which appointed the tribunal.

NEGLECT OF CONCILIATION.

In concluding this chapter we would emphasise the fact that the most useful form of State assistance in dealing with trade disputes is scarcely employed in India. The official outlook, like that of the public, has been concentrated largely on the final stages of disputes. As a rule, committees and tribunals have been set up only when disputes had attained considerable magnitude, and when a strike was either imminent or in being. Individual officers, on the comparatively rare occasions when they have intervened have also waited, as a rule, till the later stages. It is at the climax of a dispute, when the parties have completely failed to reach a common standpoint, that settlement is most difficult. At this stage public opinion tends to demand action. Government, which has been either unaware or a passive spectator of the earlier stages may be compelled to intervene, and such intervention nearly always partakes more of the nature of arbitration than conciliation.

CONCILIATION OFFICERS.

It is in the earlier stages that assistance of the right kind can be most valuable. We do not suggest that the heavy artillery of the Trade Disputes Act should be used at this stage ; we would repeat that it is far better to get the parties to a dispute to settle it themselves than to put forward a settlement of them and attempt, by invoking public opinion or otherwise, to give it force. There are frequent occasions when the tactful and experienced official can assist by bringing the parties together or by putting before either party aspects of the other's case which may have been overlooked, or even by suggesting possible lines of compromise. India has tried to copy the less valuable part of the machinery employed in Great Britain whilst ignoring the most valuable part. There, less reliance is placed on *ad hoc* public enquiries of the kind contemplated by the Indian Trade Disputes Act than in the efforts of conciliation officers and others to bring the parties privately to agreement. The need of qualified officers

to undertake conciliation is greatest in Bengal and in Bombay; but elsewhere also the heads of the labour departments or other qualified officers should undertake the work of conciliation.

GOVERNMENT'S CONTRACTS WITH DISPUTES.

The existence of such officers should give an additional advantage, in that they will be able to keep Government in close touch with disputes in their earlier stages. Too often when the crisis comes, Government is inadequately informed regarding the antecedents and the merits of a dispute ; indeed, in many cases it has received little information of it except that which comes at a late stage from those responsible for law and order. At present, even some officers dealing with labour in the provinces, lacking encouragement (and even permission) to interest themselves directly in disputes, tend to depend on police reports for their information. The attention of the authorities is thus apt to be concentrated too exclusively on the effect which a dispute is likely to have on the public peace and officers whose duties qualify them to act as conciliators sometimes receive no information of a dispute or are informed at a very late stage. An expert officer who had followed a dispute in its earlier stage would be able to take a wider view of the whole situation than those whose interest is rightly concentrated on a special aspect of it, namely, its relation to public security. Even when the expert officer's efforts to secure settlement were unsuccessful, he should be in a position to give wise advice to Government as to the stage at which it could bring its influence to bear, either privately or by the appointment of a statutory Board or Court. We consider that every Government should have an officer or officers for this purpose.

Letter No. 2583 *dated* 11*th October* 1933 *from Chamber to the Labour Commissioner.*

I am directed by the Committee of this Chamber to acknowledge receipt of your letter No. 2232, dated 27th June 1933 and submit hereby their views on the above subject :

My Committee are of opinion that the Trade Disputes Act should be placed on the Statute-book as a permanent piece of legislation.

In regard to the query regarding the desirability of amending the present Act, my Committee would like to reiterate the various suggestions offered by them in 1928, when the present Act was referred to them in the form of a Bill, and which were not incorporated in the Act.

With regard to the term "employer", as defined in section 2 of the Act, my Committee feel that the same should be defined more clearly and that it should include the occupier, as defined in the Indian Factories Act, or manager, or any other person appointed by him for this purpose.

It is not clear from section 3 of the Act as to at whose instance the particular subject-matter of dispute would be referred to a Court of Inquiry or a Board of Conciliation. My Committee would, therefore, suggest the following amendment of section 3:—

> "If any trade dispute exists or is apprehended between an employer other than the head of a department under the control of the Governor General in Council or any public utility service which has affected or in the opinion of the Local Government is likely to affect a trade or industry to a considerable extent the Local Government may
>
> 1) at the request of either the employer or the workman by order in writing refer any matters appearing to be connected with or relevant to the dispute to a Court of Inquiry to be appointed by the Local Government;
>
> 2) at the request of both the employers and the workmen refer the dispute to a Board of Conciliation to be appointed by the Local Government for promoting the settlement thereof.

If any trade dispute exists or is apprehended between an employer who is the head of a department under the control of the Governor General in Council or is a public utility service, the Governor General in Council may by order in writing

> a) refer any matters appearing to be connected with or relevant to the dispute to a Court of Inquiry to be appointed by the Governor General in Council ;

b) refer the dispute to a Board of Conciliation to be appointed by the Governor General in Council for promoting a settlement thereof."

With regard to section 16 of the Act, relating to special provision for illegal strikes and lockouts, my Committee apprehend that the same is extremely vague. According to this section, they fear that each and every strike, whatsoever be its object, may, if so desired, be included in this definition. With regard to lockouts, it is felt that they will not generally come under this section, because it is a well-known fact that "the lock out is a far less necessary weapon than the strike is to the workmen." There is an additional and more weighty reason for amending this section as suggested herein, and that is that a purely industrial viewpoint might not be taken by the authorities when declaring a strike illegal and political considerations might be incorporated in such a declaration. My Committee would, therefore, emphasise that the definition of illegal strikes should be more exact and drafted in such a manner as to preclude the authorities from abusing the power in their possession.

In this connection, my Committee regret that the present Act does not provide any sufficient safeguards against picketing. Without going into the merits of picketing during pre-reference or pre-conciliation period, my Committee are strongly of opinion that after a matter under dispute has been referred to a Court of Inquiry or a Board of Conciliation, and positively after award, picketing, unless it is made illegal, will defeat the object of reference or conciliation. Unless some such action is taken the condition of industries will be jeopardised.

It is hoped that at the time of placing the present Act on the Statute-book as a permanent piece of legislation, Government will be pleased to embody all the above suggestions of my Committee, so that the industrial and labour communities may have for their guidance a more satisfactory and fair piece of legislation.

APPENDIX 62

Bill to amend the Bombay Prevention of Adulteration Act, 1925

Letter No. 9890-A dated 27th October 1933 from the Government of Bombay, General department, to Chamber.

I am directed by the Government of Bombay (Transferred Departments) to forward a copy of Bill No. XXIX of 1933 to amend section 4 (1) of the Bombay Prevention of Adulteration Act, 1925, introduced by Mr. A. N. Surve, M.L.C., during the last session of the Legislative Council and to request that, if your Chamber desires to offer any remarks on the provisions of the Bill, they may be forwarded so as to reach Government not later than December 1st, 1933.

BILL NO. XXIX OF 1933.

A Bill to amend the Bombay Prevention of Adulteration Act 1925

WHEREAS it is expedient to amend the Bombay Prevention of Adulteration Act, 1925, in manner hereinafter appearing; It is hereby enacted as follows :—

Bombay V. of 1925

1. This Act may be called the Bombay Prevention of Adulteration (Amendment) Act, 1933.

Short title

2. In section 4 (1) of the Bombay Prevention of Adulteration Act, the following words shall be inserted between the words 'with' and 'a fine' where they occur for the first time "imprisonment which may extend to six months or" and again between the same words where they occur for the second time — "imprisonment which may extend to one year and."

Amendment of section 4 of Bom. V. of 1925.

STATEMENT OF OBJECTS AND REASONS.

The object of this bill is to enhance the punishment for the purpose of prohibiting adulteration of articles of food, e. g. butter, ghee, etc., by the addition of imprisonment to that of the fine prescribed under section 4 (1) of the Act. Under that

provision the offence is punished with fine only which is graduated with reference to the number of the offence. The amendment sought to be made is that the first offence shall be punishable with fine or imprisonment, and the subsequent offences with fine and imprisonment. The disclosures made in several recent prosecutions sufficiently warrant the stiffening of the provisions of the Act which are utterly disregarded by the offenders, who are well-to-do and to whom mere fine would not act as a deterrent. The offence is both against public health and the religious sentiment of those persons who do not eat the fat of dead creatures.

Letter No. 3005 *dated* 29*th November* 1933 *from Chamber to Government of Bombay.*

I am directed by the Committee of this Chamber to acknowledge receipt of your letter No. 9890 - A dated the 27th October 1933 and to submit their views on the above matter hereby.

While the Committee are in favour of straight action for preventing adulteration, they feel at the same time that frivolous prosecutions, brought about as a result of mutual jealousies between merchants should be guarded against. With this in view they would like to suggest that the first part of the amending Bill be so altered as to make first offence punishable by fine only and that subsequent offences be made punishable as provided for in the amending Bill, namely with fine and imprisonment. They are also of opinion that in regard to first offences the maximum amount of the fine may be increased.

APPENDIX 63.

Bombay Weights and Measures Draft Rules.

(Note : The draft rules are not reproduced here. They can be referred to in Bombay Government Gazette d. 21st September 1933, Part I, or in file R. 49-1933).

Letter No. 3000 *dated* 28*th November* 1933 *from Chamber to the Government of Bombay, General Department.*

With reference to your letter No. 9492-II/C dated the 30th September 1933, I am directed by the Committee of this Chamber to send to you hereby their views on the above Rules.

Rule No. 124 provides for the stamping of weights and scales and lays down a scale of fees for the same. These fees are, in the opinion of my Committee, very exhorbitant, their percentage to the actual cost of these being sometimes 100 per cent and even more. These exhorbitant fees will press heavily upon the poor traders and their incidence will ultimately fall upon the public in general. My Committee therefore request that there should be a substantial reduction made in the scale of charges for stamping.

Rule No. 123 lays down limits of verification which, in the opinion of my Committee, are not at all practicable from the point of view of the different trades concerned. It is the experience of trade that a big weight like the one for 56 lbs. is used so roughly in the ordinary daily routine of trade that there is an appreciable loss of tolas every week. My Committee, therefore, suggest that these limits of verification must be modified to suit the actual practical conditions.

It appears from the provisions of the Act that scales and weights will have to be stamped even while they are to be sold to private individuals, who are not traders and who want these scales and weights for their private use. It will mean that the traders in weights and measures will have to get all their stock stamped, and this will entail considerable expense upon them. My Committee suggest that there should be exemption with regard to stamping in case of weights and measures sold to private individuals for their private use.

The Rule with regard to stamping should not also apply to weights and scales, which are going to be exported out of Bombay to other parts of Biritish India and the Indian States. If the Rule regarding stamping is made applicable even to the weights and measures which are to be exported outside, the traders in these will be faced with a very severe competition from foreign articles which will go direct to the Indian States and other parts of British India where these rules are not applicable. Traders in and manufacturers of these weights and measures are rightly afraid that their trade and industry will suffer very greatly from the operation of these Rules if they are not modified as suggested by my Committee, who hope that Government will take into consideration their interests and make the necessary modifications.

My Committee suggest that all these Rules should be translated into principal vernaculars of the Presidency and Government should get them published and put them for sale at a cheap cost so that the public including the traders may have an opportunity of studying them and take necessary steps.

My Committee further suggest that the models provided for in the Rules should only apply to all future manufactures and not to the existing stock, which is believed to be very heavy and which may have to be scrapped if the new models are insisted upon in all cases.

In conclusion my Committee would like to observe that they had consultation with representatives of all the leading organisations in the City on this question and the consensus of their opinion was that Government should convene immediately a conference of the various trade interests concerned to consider the draft Rules before finally sanctioning the same. My Committee hope that Government would be pleased to consider favourably this suggestion as well as the various modifications offered in this representation as regards the draft Rules.

APPENDIX 64.

Indian Petroleum Bill.

Letter No. 9908-A dated 11th October 1933 from Government of Bombay, Political department to Chamber.

"With reference to your letter No. 2558, dated the 8th October 1933, I am directed to forward herewith five copies of (1) The Indian Petroleum Bill (Vide Gazttte of India, August 1933) as introduced in the Legislative Assembly with the statement of Objects and Reasons and (2) Extract from the Legislative Assembly Debates, dated the 1st September 1933, regarding the Bill.

Letter No. 2872 dated 15th November 1933 from Chamber to Government of Bombay.

I am directed by the Committee of this Chamber to acknowledge receipt of your letter No. 9908A of the 6th October 1933 and to say that they support the proposed amendment of the Indian Petroleum Act, 1899.

APPENDIX 65

Bombay Tobacco Act and Rules thereunder.

Letter No. 2981 *dated* 27*th November* 1933 *from Chamber to Government of India, Revenue Department.*

The Committee of this Chamber have received the following complaints from tobacco merchants and dealers regarding the working of the Bombay Tobacco Act, 1933, and the rules recently published thereunder :—

Under the Act dealers in tobacco are obliged to keep regular accounts. Government are no doubt aware that the bulk of the tobacco trade in the Presidency is in the hands of small dealers who are illiterate. It is, therefore, difficult for them to keep regular accounts as required under the Act. Another hardship experienced by these dealers is in regard to the scale of license fees under the Act. My Committee have carefully considered the complaints, particularly in regard to license fees, and they feel that the same are excessive. My Committee would also like to point out the serious difficulty being experienced by these dealers as regards one of the provisions of the Act which makes it obligatory on them to deal only with those persons who have obtained licenses under the Act. While making this provision my Committee feel, Government have overlooked the practical difficulty in its compliance, because tobacco dealers in the Presidency have established for a number of years connections with merchants and dealers in Indian States and the Portuguese Territories, who naturally cannot be brought under the influence of this provision. My Committee, therefore, trust that Government will be pleased to remove this difficulty by suitable provision in the Act. My Committee would also request Government to be pleased to reduce the scale of license fees, and thus give the necessary relief to these small traders. With regard to the other difficulty, viz., keeping of accounts, my Committee would be obliged if Government would see their way to accord any possible administrative relief to tobacco dealers in the matter.

IV. GENERAL TRADE AND INDUSTRY.

APPENDIX 66.

Use of Indian Steel in the Howrah Bridge.

Letter No. 2426 *dated* 22*nd September* 1933 *from Chamber to the Government of India, Commerce Department.*

The attention of the Committee of this Chamber has been drawn by the Indian Chamber of Commerce, Calcutta, to proposals that are under consideration by the New Howrah Bridge Commissioners for the building of the new Howrah Bridge. It is understood that the new bridge will require 30 to 40 thousand tons of steel.

My Committee heartily endorse the wish expressed by the Committee of the Indian Chamber of Commerce, Calcutta, that, in inviting tenders, every opportunity should be given to the manufacturers of steel in India to supply the steel material required. In order that the manufacturers of steel in India may have reasonable chances of putting in competitive tenders, it is obviously necessary that specifications for the material required should not be so narrowed down as to confine the same to any particular kind or make of steel.

My Committee fully support the suggestion made by the Indian Chamber of Commerce, Calcutta, that the consulting Engineers of the New Howrah Bridge might be asked to suggest their designs in consultation with the Controller of Standardisation of the Government of India.

My Committee trust that Government will be pleased to give their careful consideration to the above mentioned suggestions.

Letter No. 1461-*C dated* 3*rd November* 1933 *from the Government of Bengal, Public Works department, to Chamber.*

With reference to your letter No. 2426 dated the 22nd September 1933, addressed to the Secretary to the Government of India, Department of Commerce, Simla, regarding the use of

Indian Steel in the construction of the New Howrah Bridge, I am directed to say that the letter has been forwarded to the Chairman of the Commissioners for the New Howrah Bridge for disposal. Further correspondence on the subject may be made with that officer direct.

APPENDIX 67.

Adulteration of Butter and Ghee.

Letter No. 1701 *dated* 16*th June* 1933, *from Chamber to the Government of Bombay, General department.*

The Committee of this Chamber understand that the Marwari Chamber of Commerce, Ltd. Bombay, has recently addressed a representation to the Government of Bombay on the question of adulteration of Butter and Ghee. My Committee are in entire agreement with the various suggestions made by that body to Government, with a view to effectively check the increasing evil of adulteration. In this connection, I am to draw the attention of Government to this Office No. 2187, dated 26th September 1928, addressed to the Government of India, Department of Commerce, wherein my Committee had made similar suggestions in regard to this evil of adulteration of Ghee and Butter.

My Committee have, however, one more suggestion to add in regard to this matter. They are strongly of opinion that the use of the word "Ghee" should be strictly prohibited for stuffs which are not *genuine Ghee*. The use of the term "Ghee" for products other than genuine Ghee is a misnomer and a fraud on the public because according to the time-honoured custom and usage in this country, the name Ghee has been used for no other product but genuine *Ghee, produced from milk of cows and buffaloes*.

In conclusion, my Committee trust that in view of the alarming proportions the evil has assumed in recent years, Government will be pleased to take early and effective steps on the lines of the representation made by the Marwari Chamber of Commerce and this representation.

APPENDIX 67-A.

Competition of Military dairies with private enterprise.

Letter No. 1589 *dated 7th June from Chamber to the Government of India, Army department.*

The Dairyowners of Simla have forwarded to my Committee a copy of their representation to the Government of India in the matter of the Government Military Dairies at Simla catering for the needs of the general public, and thus coming into direct competition with private enterprise.

The entry of such state Departments in trade and industries like this has been for sometime a matter of great heartburning to private commercial enterprises. This Chamber has throughout been opposed to such a policy of undertakings by Government in their various branches trying to go beyond the purpose for which they were meant and encroaching on the field of private commerce. The memorialists, referred to above, have advanced cogent reasons as to how such direct competition is deleterious to their interests. The Military Dairies with their vast resources can very easily cut out the private manufacturers.

My Committee, therefore, feel strongly that the Government Military Dairies at Simla should confine their production to the needs of the Army Department, and should desist from entering into the public market in competition with private enterprise.

Letter No. 1909 *dated* 12*th July* 1933 *from Chamber to the Government of India Army Department.*

Since addressing their letter No. 1589, dated 7th July 1933, regarding Government Military Dairies at Simla catering for the needs of the general public and thus coming into direct competition with private enterprise there, the Committee of this Chamber have received similar complaints from the Dairy Owners of Bombay. The position of private Dairy Owners in Bombay also is increasingly threatened in face of such keen and unfair competition by the Government Military Dairies.

My Committee, therefore, hope that Government will be pleased to see that henceforth Military Dairies in various parts of the country desist from entering into competition with private dairy enterprise by confining their production to meet the requirements of the Army Department only.

Letter No. 13436/2-9 *dated* 17*th November* 1933 *from Government of India Army department, to Chamber.*

"With reference to the correspondence ending with your letter No. 2581 dated the 10th October 1933, (reminder) I am directed to say that the question of the Government military dairies catering for the needs of the general public in Simla to be detriment of private trade formed the subject of discussion with a deputation of the Simla Trades Association which was received by the Secretary, Army Department on the 3rd October. At the Army Secretary's request, the deputation agreed to submit a memorandum on certain points raised at the discussion; this is now awaited. A further communication will be addressed to you when a decision has been reached.

2. With regard to the alleged interference by Government military dairies with private enterprise in Bombay, it has been ascertained that the Government Military Dairy Depot at Colaba has been selling small quantities of milk and butter to private customers. Instructions have been issued confining the trade of this dairy depot to the military and the Royal Indian Marine."

Letter No. 3061 *dated* 6*th December* 1933 *from Chamber to the Government of India.*

With reference to your letter No. 13436 /Q-9 dated 17th November 1933, my Committee are glad to note that (1) Government will be addressing a further communication to them when a decision has been reached on the question of Government Military Dairies catering for the needs of the general public at Simla and (2) that instructions have been issued to the Military Dairy at Colaba to confine its operations to the Military and Royal Indian Marine.

My Committee, since then, had occasion to discuss the matter with representatives of the Bombay Dairy Owners. They

are informed that there is not so keen a competition from the Military Dairy at Colaba as there exists at various places like Jubbulpore, Ferozepore, Quetta and others. My Committee have carefully gone into this matter and from evidence placed before them by the Bombay Dairy Owners they feel convinced that the Military Dairies in places referred to above are carrying on an intensive propaganda in Civil Lines and supply butter and milk to the civil population there by sending their vans from door to door and effecting deliveries to regular consumers.

The attention of my Committee has also been drawn to a more serious aspect of this admittedly unhealthy competition, viz, that Military Dairy authorities are exerting undue influence on hotels, provision merchants and confectioners established in their zones to use butter and milk of the Military Dairies only. This, my Committee submit, is very serious and requires immediate attention of Government who have recognised the injustice to private enterprise done through Military Dairies catering for the needs of the Civil population.

In view of the instances quoted above, and in view of the assurance kindly given by Government in the letter under reference that the matter would be looked into, my Committee trust that Government will pleased to issue instructions forthwith to Military Dairies not only at Bombay and Simla, but to Military Dairies all over the country to cater to the needs of the Military requirements only and put a stop to their unfair and unhealthy competition with private enterprise.

APPENDIX 68.

Definition of Ghee and Standards for ghee and butter.

Letter No. 47-B dated 14th July 1933 from the Director of public health, Poona to Chamber.

With reference to your letter No. 674, dated the 5th June 1933 to the Secretary to the Government of Bombay, General Department, which has been forwarded to me for remarks, I have the honour to request that you will kindly give me the benefit

of your Chamber's opinion on the question of standards of ghee and butter. As you are aware, it is essential to have definite standards to determine the purity of an article before an offender can be prosecuted. These standards of ghee and butter must be such as will be accepted by the public and the Magistrates.

I have also to request you to help me in defining ghee, as a definition of ghee would be necessary for execution of the Act."

Letter No. 3216 *dated* 17*th August* 1933 *from Chamber to the Director.*

I am directed by the Committee of this Chamber to send hereby their views in reply to your letter No. 47-B, dated 14th July 1933, re: definition of Ghee and standards to be fixed for Butter and Ghee.

My Committee suggest the following definition of Ghee for purposes of the Act :—

> "Ghee is a pure clarified substance made exclusively by heating butter and contains no fats or other extraneous matters not contained in milk fats or milk."

Standards for Ghee and Butter : As the framing of standards for Ghee and Butter for statutory purposes is a matter of far-reaching consequences to the trade and to public health, my Committee, before suggesting the standards, wish to emphasise the complex nature of problems presented by this subject. A close investigation of the subject is, therefore, necessary for framing new legislation or standard calculated to stimulate honest trade, protect public health and satisfy public expectation of immunity from fraudulent practices. The proposed standards are required to satisfy the public and the Magistrates. This is an extremely difficult matter. Different sections of the public have different views on the purity of these articles. This divergence of opinion arises out of the different methods used in the preparation of Ghee in various mofussil districts from which different consumers of communities are drawn to Bombay. Each community is familiar with a particular kind of Ghee or butter. Colour, texture, consistency and odour count more with them

than any scientific standards of purity based on chemical analysis. These popular tests are easily sophisticated and no standards could be laid out to guarantee any reasonable degree of purity. As the physical tests do not offer the solution, the standardisation must be based on recognised chemical tests. Though it is possible to certify purity or adulteration by means of these chemical tests, they require to be carefully standardised so that deviation from the standard limits should raise a justifiable presumption that the article is not genuine. Chemical values of individual samples are in themselves not absolutely invariable as they are largely influenced by various factors such as

(*a*) **Cattle** : their breed, their food and fodder, their health or disease, their climatic living and their care, their treatment, the influence on them of seasonal variations during dry and wet weather, all these determine the qualities of Butter and Ghee prepared from their milk.

(*b*) **Methods of Butter or Milk Collection** : There are few organised dairies in India; the trade centres are mostly in rural districts where it is difficult to obtain uniformity of a supply or pure unmixed milk or butter from which commercial qualities of butter and ghee are made. It is not uncommon practice in villages to mix up with larger quantities of buffalo milk smaller quantities of cow's, goat's, sheep's, ass's or camel's milks. Each agricultural district has its own recognised practices and tolerances for standards for purity as established by usage and local requirements. Variations in qualities and chemical tests are therefore bound to occur and allowance for them must be made in the legal standards.

(*c*) **Methods of Manufacture** : There are no systematised scientific standarised process of manufacture as in the West ; each cattle owner and each village tradesman has his own crude methods. Cleanliness in preparation, addition of extraneous matter in preparation and length of boiling time determine the purity of the final products. These variations in practice, though they seem insignificant at first sight, give rise to differences in physical qualities and chemical properties. An intentionally uncooked

Ghee, leaving whey and curd in it to increase weight and save fuel, would give chemical tests different from those given by a well-prepared clarified Ghee, freed from nitrogenous matter and rancidity; variations in chemical values will also arise on account of the methods employed in the collection of large quantities from different sources and remelting them to obtain a uniform grade for purpose of grading for a recognised brand.

These observations relate, as a rule, to pure milk products made from pure buffalo milk or from mixed milks of various types of cattles collected from rural sources in small lots. These products, though of different grades and qualities, may be depended to contain genuine natural milk fats. But when they are gathered in towns and cities and remelted for trading purposes, they are largely adulterated with substances different in food value and from the natural milk fats contained in butter and ghee. Any standard analysis must take note of and provide tests for detection of commoner adulterants; without such tests the value of standards will be lost. Various oils and fats, both animal and vegetable, are used for adulteration.

In the group of vegetable oils and fats used as adulterants are: ground nut oil, cotton seed oil, poppy seed oil, niger seed oil, kokam fat, mowrs seed oil (refined), khakhan oil, cocoanut oil, sesamum oil, madhvising oil (jasminum arboracium); fats of animal origin are mutton, tallows and lard; to mineral class belong white oils and refined paraffin wax. In the group of chemically prepared adulterants of hardened oils and fats of vegetable and animal origin are: hydrogenated cocoanut oil, ground nut oil, sesamum oil, linseed oil, cotton seed oil and deodourised and hydrogenated fish oils.

Besides these adulterants, use is very often made of Ratalu pulp (diascoria satwa), bananas, potato flour, glucose, soluble starches, casein preparations and dried curd.

The choice of the adulterant depends on its price and its suitability for imitating any particular physical property of the natural ghee.

These substances by themselves do not give the adulterated substance the desired sophisticated properties of colour, texture, consistency and odour. To obtain these, addition of the substances known as "aids" are required. They are colouring materials natural or synthetic—such as Annato, betelnut leaves, curcumin, carrot, chlorestrol, cerasine, Orange G, Orange OB, turmeric and odoriferous substances such as lemon grass oils, earth oil, khas oil and synthetic esters such as ethyl butyrate.

The difficulty of fixing a standard for butter and ghee is enhanced on account of the paucity of published or recorded scientific observations on the subject. Statutory standards for ghee have been fixed by the Governments of Madras, Bengal and Bihar and Orissa, while investigations have been carried out for the Government of Central Provinces. The Benares Hindu University has issued a publication on the subject. The work carried on in the laboratory of the Calcutta Corporation for a number of years is of considerable interest, but the results obtained there differ considerably from the results expressed in the statutory limitation fixed by the Madras Government and the results of Bombay Ghee published in the Analyst. The Madras Government Chemist, commenting on the Bengal statutory limits, remarks: "probably the animals in Bengal produce milk fat (ghee and butter) giving very different results from those in Madras, since the Bengal's limits would be unworkable in Madras." These comments further strengthens the opinion of my Committee that the matter is complex and requires careful handling. It is very well known that there is a strong divergence of opinion regarding the limits of chemical values of Bombay Ghee. Bombay trade is not confined to Gujerat, Kathiawar, or Deccan. Ghee is imported from Central India, United Provinces, Central Provinces, Khandesh, Nizam's Dominions and other far off places. To fix a common standard for all of them, therefore, requires considerably fuller investigation.

My Committee would, therefore, suggest that a Conference of Chemists, similar to that held in Calcutta in 1918, be convened to determine the standards for Ghee sold in the Bombay City and Presidency. Should such a conference be held, it should be asked to suggest limits above or below which presumption may

be raised until, contrary is proved, that the articles sold are not genuine. If the object of the Government is to fix standards acceptable to the public, the trade and the Magistrates, the only course, in the opinion of my Committee, is to consult all parties concerned so that there may be no cause for complaint hereafter. Until such a Conference is held, my Committee offer, tentatively, their opinion as to the lines on which the final standards may be worked out. In considering these suggestions, my Committee would submit that the objects of the standards should be to determine whether the article contains fats derived from milk and no extraneous substances. It should not be the object of analysts to determine whether the adulterant was of animal or vegetable nature or whether it was injurious to health. The presence of any substance other than milk fat should be a sufficient reason for punishment. The general analysis should follow the same lines as those generally laid down for butter and margarine. These are :

Physical Tests : Specific Gravity Melting Point and Refractive Index.

Chemical :

(a) **General Tests :** Free fatty acid, saponification value, iodine value, unsaponificable matter; water, albuminoid and fibrous matter,

(b) **Special values :** Reichert Meissel ; Plenske ; Valenta number, Baryta value (Ave Lallemont's process) and Kirschner value ;

(c) **A and B values of Butter fats :**

By a careful and correct determination of these special values, it is possible to absolutely certify the presence or absence of milk fats in any commercial samples of butter and ghee. Since it is not necessary to prove the nature of the adulterant, whether of animal or vegetable origin, the Cholesterol and Phytosterol tests

are omitted. Likewise, it is not proposed to judge the value of ghee or butter on their vitamin contents. Their occurrence in Indian butter and ghee has not been fully investigated, though it has been shown by some observers that Vitamin A and Vitamin D present in fresh milk are destroyed in the process of making.

The physical and general chemical tests will be in the nature of collateral or auxiliary proofs supporting the conclusion drawn from the special values. Of the special values, Reichert Meissel value is most important. For Bombay ghee it should not be under 25, though Calcutta statutory limit is 28. There is a considerable difference of opinion regarding this value and as in the majority of cases great reliance will be placed on this value, supported by Kirschner and Ave Lallemont values, it is necessary to fix this value very carefully specially as the butter and ghee of different parts of India differ radically in their values. Buffalo ghee will give higher values than cow's ghee ; higher values result also on account of rancidity ; low values on account of overheating and the possible presence of varying quantities of goat's, sheep's, camel's and ass's milk being mixed up giving lower values should not be overlooked. Consideration should also be given to changes, which take place in these values on keeping or storage. Increase on keeping in Reichert Meissel and Plenske values have been recorded. The statutory limit for water and natural extraneous substances not separated in the process of making, dewatering and clarification is seldom to perfection, the one per cent. of adventitious substances such as natural dirt finding its way into it for want of cleanliness under rural conditions, may be allowed.

As regards butter, the statutory limit of water to 16 per cent. in western countries cannot be made applicable to India. The limit should be 20 per cent. owing to India being a warmer country.

My Committee would beg to emphasise that the value of standard limits will be lost or vitiated, if along with the fixation of the values, rules are not framed for drawing samples and standards laid down for use of standard instruments and methods of analysis in laboratories recognised for legal purposes. A laxity

in these directions would result in the frustration of the objects in view and might lead to punishment of innocent persons or continuation of fraudulent practices.

In prosecutions based on the interpretation of the results of analysis and inferences drawn from them, it will be necessary to give considerable latitude to the defence to prove to the contrary that the Chemists' inferences are wrong, for after all, the Analyst only reports the results obtained by recognised standards of analysis and does not prove, directly obtained by recognised standards of analysis and does not prove, directly by chemical tests, as in medical jurisprudence, the presence of an injurious substance. His report will not be a statement of fact, but it is to be treated only as an inference drawn from fixed statutory limits of chemical tests and values. These limits are likely to vary on account of various causes discussed above. The ultimate objects of the fixed standards should be to enable the buyer to obtain in substance nature and quality the article demanded by him which will be a pure milk fat, free from any extraneous substances.

Along with the fixation of standards for pure butter or ghee, my Committee are of opinion that it is also necessary to fix standard or standards for a product which may not be entirely made from pure milk fats but which may contain an extraneous substance like hardened vegetable oil which from the point of public health cannot be considered as injurious. They think the consideration of this point is necessary as the country is unable to supply pure ghee (1) to meet the demand that exists or may potentially exist and (2) because to a large number of consumers purchase of pure ghee is quite beyond their means. A mixed product of this nature cannot be of course allowed to be sold as pure butter or ghee, but it should be permissible to sell it (1) under some specific name, and (2) with a warranty which should clearly state the percentage of various fats which go towards the manufacture of the product and all possible details about them viz. their source of origin, their nature, their setting point, etc. and their major constituents. In the opinion of my Committee, it should be possible to lay down standards legalising the sale of vegetable product containing from 10 to 25% pure

ghee and they have no doubt that such a step would in no way affect the public health, but, on the other hand, would be of considerable help to the buyer who will then know what he is buying for the price he is prepared to pay.

The main difficulty, however, in the the application of the Foods and Drugs Regulations is that experienced in determining the sources of supplies. Cases may arise in which butter and ghee may be drawn from certain districts which cannot comply with the statutory limits. In genuine cases, innocent persons are likely to be penalised, and if they are continued to be punished by the strictest interpretation of statutory limits trade is likely to suffer. To avoid such cases, dealers should be compelled to sell under warranty clause to retailers, who should in turn be required to disclose the names of the dealers. If warranty is proved the dealer should be punished. If genuine warranty is not obtained, then only the retailer should be punished, but however if his stocks are obtained in small lots from upcountry stations or States, the warranty would be useless; in that case, besides the chemists' analysis, prosecution should depend also on the presence of substances likely to be used for adulteration found in the shops or godowns of retailers. This prosecution requires the registration and licensing of all dealers in butter and ghee.

In conclusion my Committee would reiterate their previous views forwarded to the Government of Bombay in this connection, that legislation in this behalf should be undertaken without any further delay, and that offences under the Act should be made punishable with deterrent sentences of imprisonment with or without heavy fines.

APPENDIX 69.

Standardisation of weights and measures of cotton:.

Letter No. 9798/C dated 1st August 1933 from Government of Bombay, General department, to Chamber.

I am directed by the Government of Bombay (Transferred Departments) to forward herewith a copy of the letter from the

Secretary, Indian Central Cotton Committee, No. 4643, dated the 27th April 1933, with accompaniment, and to request that you will be so good as to favour Government with the views of your Chamber on the following points :—

(i) Whether the time is ripe for the adoption of measures towards the unification of weights in all cotton transactions throughout India, and, if the adoption of steps of the nature indicated is premature or not feasible,

(ii) Whether any suitable measures could be devised by which the standardisation of weights for all cotton transactions in the Presidency of Bombay could be effectively secured.

Letter No. 4643 *dated* 27*th April* 1933 *from the Secretary, Indian Central Cotton Committee, to the Government of Bombay.*

I have the honour to state that the question of standardizing weights for cotton transactions in India has been engaging the attention of my Committee for some time past and at its last meeting held in February 1933 the subject again received further consideration. The lack of uniformity in this respect in the various markets of India, not only between the different provinces but also in the same Province and State and sometimes even in one and the same district of a province cannot but have a hampering effect on trade and is particularly detrimental to the interests of the grower. In considering this question, my Committee had before it the recommendations of the Indian Cotton Committee 1917-19, an extract from whose report is appended hereto for the information of the Local Government, and decided to put off further consideration of the subject till the views of Provincial Governments were ascertained whether the time was ripe for the adoption of measures towards the unification of weights in all cotton transactions throughout India. My Committee would be greatly obliged if the Government of Bombay would favour it with an expression of their views after consulting all trade interests concerned.

Should, however, the Local Government be of opinion that he adoption of steps of the nature indicated is premature or not easible, I am to enquire whether any suitable measures could be

devised by which the standardisation of weights for all cotton transactions in the Presidency of Bombay could be effectively secured.

Extract from the Report of the Indian Cotton Committee, 1917-19.

Standardization of Weights.

"212. Before leaving the general question of marketing, we would mention that, during the course of our tour, our attention was frequently called to the hampering effect on the cotton trade which results from the great variety in the weights used for transactions in cotton not only in different provinces but also in different districts and parts of districts in the same province. Over the greater part of the Bombay Presidency, cotton is bought and sold on the basis of a *khandi* of 784 pounds of lint, which is, in consequence, known as the Bombay *khandi*. In the south of the Presidency, the unit is the *nag* of 336 pounds. In Khandesh, the *khandi* varies from 160 to 250 pounds and the weight of the *maund* varies from 42 pounds at Bodwad to 144 pounds at Dhulia and Amalner. The Madras *khandi* is only 500 lbs. of lint, but in the "Westerns" tract, cotton is sold by the *nag* of 312 pounds. At Cawnpore, there is a special cotton maund of 100 pounds for both lint and *kapas*. In other parts of the United Provinces, the standard maund of 82-2/7 pounds is generally used for *kapas*, lint being sold in bales of 400 lbs. In the Punjab and Sind, both *kapas* and lint are sold on the standard *maund* of 82-2/7 pounds. It is only in the Central Provinces and Berar that the weights used in the cotton markets have been prescribed or are regulated by Government. In both cases, the *maund* used is one of 28 pounds. Under the by-laws of the Nagpur market, the *khandi* is one of 784 pounds of *kapas* and a *bhoja* means 392 pounds of lint. The *khandi* and the *bhoja* are not defined in the rules of the Berar markets but are, in practice, the same as those in use at Nagpur.

The advantages to the trade which would result if some uniform system of weights could be adopted for all transactions in cotton are so obvious that they need not be enlarged upon. At the same time, a fruitful source of loss to the cultivator would be removed. There is no doubt that the present lack of system

offers great opportunities for cheating him, of which many dealers and others are not slow to avail themselves and they are assisted in doing so by the fact that, even where the *maund* is in use, many of the weighbridges in ginneries are marked in hundred-weights, quarters amd pounds instead of in *maunds*. We are, therefore, strongly of opinion that in the interests both of the trade and of the cultivator, the weights used in cotton transactions throughout India should be standardized. The Bombay *khandi* is such a well known weight and is already in use in so many of the principal cotton tracts in India that we consider it desirable that the standard weights should be sub-multiples of that. We do not, therefore, support the recommendation of the Weights and Mesures Committee of 1913-14, that the standard *maund* of forty seers or 82-2/7 pounds should be adopted as this is only used, at present, for cotton transactions in the Punjab, Sind and parts of the United Provinces, does not correspond to the avoirdupois scale and bears no relation to any of the *khandis* in use in cotton growing tracts. The *maund* we would recommend is one of 28 pounds. Fourteen *maunds* would then be equal to one *bhar*, *naga* or *bhoja* of 392 pounds and two *bhars*, *nagas* or *bhojas* would be equal to one *khandi* of 784 pounds. The advantage of this scale is that it fits in with the scale which, as we have pointed out, is in use in the Bombay markets as well as in the principal cotton growing tracts. It also fits in with the weight of the ordinary bale which, everything in India, except in the south of Madras where it is 500 pounds, is 400 pounds gross. The allowance for tare is eight pounds which reduces the net weight of the bale to 392 pounds or exactly half a *khandi*. Its adoption would, therefore, cause the least dislocation and inconvenience to the trade. To avoid confusion, we would recommend that the *maund* we have suggested should be known as the "cotton *maund*." We consider it desirable that all the weights used in cotton transactions should be in pounds avoirdupois and, in our opinion, the introduction of the *seer* into the scale would only cause unnecessary complication."

Measures necessary to bring about standardisation of weights.

"213. As regards the measures which should be taken to bring about a universal adoption of the scale suggested above, we have included in the scheme for the licens-

ing of ginneries and presses put forward in paragraphs 223 *et seq* below, a recommendation that one of the conditions on which license should be granted to ginneries and pressed should be that only the certified standard weights prescribed for the tract should be used. We would further recommend that, in the legislation, we have proposed in regard to the establishment of cotton markets in provinces other than the Central Provinces and Berar, power should to taken to prescribe standard weights to be used in such markets and that, in many rules framed under such legislation a rule should be inserted similar to that already in force in Berar, under which the Chairman of the Market Committee, every member of the Committee and every employee of the Committee duly authorised to do so, are entitled, at any time and without notice, to inspect, examine and test any scale or weights used, kept or possessed in any open place within the limits of a market. If standard weights are prescribed for markets, ginneries and presses, there can be no question but that their adoption for all transactions in cotton will follow in a very short time. The weights, which we recommend should be kept in all markets, ginneries and presses, are the following :— 1, 2, 4, 7, 14, 28 and 56 and 112 pounds. These weights would be duly tested and stamped before issue and arrangements should be made to retest and restamp them every year, as well as to test all scales in use, in order to prevent the possibility of their being tampered with, as is not infrequently the case with the weights and scales used at present. We would further recommend that all weighbridges and platform-bridges in use in markets, ginneries or presses, should be marked with the above scale. We are so impressed with the disadvantages of the present system, both to the trade and the cultivator, that we consider that, if there are difficulties in prescribing uniform standard weights for the whole of India, an attempt should, at any rate, be made to secure uniformity within each province."

Letter No. 2415 *dated* 21*st September* 1933 *from Chamber to Government of Bombay.*

I am directed to acknowledge receipt of your letter No. 9798/C dated the 1st August 1933 on the above subject, and to submit hereby their views thereon.

My Committee, after a careful consideration of the recommendation regarding the introduction of a unit of weight for all cotton transactions throughout India, are of opinion that the time is not yet ripe for unification of weights throughout India. They are, however, of opinion that immediate steps should be taken towards the unification of weights in all transactions in cotton kapas and cotton seeds in the Presidency of Bombay, excluding Sind but including the Indian States situated within the Presidency limits, on the basis of the Bombay Candy of 784 lbs. Government are, no doubt aware, that the Bombay Candy of 784 lbs is generally the basis for all transactions in cotton in the Bombay Presidency, excluding Sind. They therefore feel that there would not be any difficulty in adopting this suggestion.

With regard to the second point mentioned in your letter under reply my Committee are of opinion that, as there are cotton Market Committees in important cotton centres in the Presidency, it would not be found difficult to adopt suitable measures for carrying out the scheme of standardisation of weights in the Presidency including the Indian States situated within the limits of the Presidency but excluding Sind.

APPENDIX 70.

All-India Plough and Cattle Census.

Letter No. 2472 *dated* 30*th September* 1933 *from Chamber to the Imperial Council of Agricultural Research and the Director General of Commercial intelligence.*

The attention of the Committee of this Chamber has been drawn to the forthcoming quinquennium All India Plough and Cattle Census to be held in 1934-35. In this connection, my Committee would like to take the opportunity to suggest that, in order to ascertain the progress which has been made in the country, every Province should be asked to prepare and include a complete census of Iron Ploughs, Sugar-cane Crushers, Tractors, Oil Engines and Pumps. My Committee understand that this had been done

in the Presidency of Bombay for the year 1929-30. The collection of such information is, you will no doubt realise, very valuable to machinery manufacturers in the country. My Committee trust that you will favourably consider this suggestion and request the various Provinces accordingly.

Letter No. 13709 *dated 20th October* 1933 *from the Director General to Chamber.*

I write to acknowledge the receipt of your letter No. 2472, dated the 30th September 1933, on the above subject and to say that your suggestion has been forwarded to the Government of India for consideration.

APPENDIX 71.

Export by sea and Receipts at mills of Indian Cotton Classified by varieties.

Letter No. 6730 *dated* 15*th August* 1933 *from the Indian Central Cotton Committee to Chamber.*

I have the honour to transmit for your information the results (Vide Chamber's Library No. T. 458) of an enquiry made by the Indian Central Cotton Committee into the nature of the demand for various types of Indian cotton for export by sea and for consumption in Indian mills during the last four cotton seasons.

The method of enquiry adopted for this purpose was to circularize all known exporters and managing agents or managers of mills in India requesting them to furnish the required information in the forms supplied to them. Needless to say, that one of the inherent defects in this method is that it is seldom possible to get complete returns on a voluntary basis. Yet it is gratifying to note from the attached statements that the response to the Committee's request was highly satisfactory, and that the difference between the reported totals and actual exports or consumption is not considerable. For this, the Committee is indebted to the various exporting firms and mills as also to the Millowners' Associations.

As it is desired that these enquiries should be continued in future, the Committee would welcome comments and criticisms on the method, scope and results of these enquiries.

Letter No. 2322 *dated* 4*th September* 1933 *from Chamber to the Indian Central Cotton Committee.*

With reference to your letter of the 15th August, 1933 Cir. No. 6730, on the above subject, my Committee are glad to note that the results of the enquiries into the nature of demand for various types of Indian cotton for export by sea and for consumption in Indian mills during the last four cotton seasons have been found satisfactory. My Committee would like to suggest in this connection that various mills in India should be requested to supply, along with the particulars already being supplied by them, in a separate column information to show for spinning what count or counts of yarn each particular kind of cotton was mixed. This information, my Committee feel, would be of great value.

APPENDIX 72.

Conference re Exportation of Fruits.

Letter No. 698-A/33 *dated* 24*th July* 1933 *from Government of India, Revenue department, to Chamber.*

I am directed by the Government of Bombay (Transferred Departments) to forward a copy of their Resolution, No. 698/33, dated 18th July 1933, and to express the hope that it will be convenient for a representative of your chamber to attend the conference and to favour it with his advice. The name of the representative may be communicated as soon as possible.

The question of the export of fruit overseas to Europe is under the consideration of Government and in connection therewith it has been decided to hold a conference of representatives of shipping companies and railway authorities and others interested in the matter. The conference will consist of the following official and non-official gentlemen :—

(1) The Honourable Dewan Bahadur S. T. Kambli, Minister of Education (Chairman).

(2) The Director of Agriculture.

(3) The Horticulturist to Government.

(4) The Professor of Agricultural Economics, Agricultural College, Poona.

(5) The Collector of Customs, Bombay.

(6) One representative each of the G. I. P. and B. B. and C. I. Railways,

(7) One representative each of the P. & O. Company, the Ellerman's City and Hall Lines, the Bombay Steam Navigation Company, the Dollar Lines, the Anchor Line, and the Lloyd Triestino Navigation Company.

(8) One representative of the Bombay Port Trust.

(9) One representative of the Bombay Chamber of Commerce.

(10) One representative of the Bombay Presidency Fruit Growers' Association.

(11) One representative of Messrs. Lallubhai Pragji and Company.

(12) Captain K. N. Kaula.

2. The conference will be held in Bombay at 12 noon on 28th July 1933 in the Committee Room on the first floor of the Secretariat. A list of subjects to be discussed at the conference is appended.

3. The Agents, G. I. P. and B. B. and C. I. Railways, and the Chairman, Bombay Port Trust, should be requested to communicate the names of the officials who will represent them at the conference.

AGENDA.

List of subjects to be discussed at the conference.

1. What facilities could be made available at the Port of Bombay for assembling fruit for export purposes and their storage?

2. What policy should be adopted in fixing charges relating to customs manifest forms, shipping and forwarding agencies, Port Trust fee, etc., on Indian fruit ?

3. What measures should be adopted to get suitable cold storage space on steamers at a reasonable charge ?

4. How railways and coastal steamship companies can help in providing rapid thransport facilities in bringing fruit to the assembly point at economical rates ?

5. What kind of control should be exercised in order to regulate the quality and quantity of the fruit for export ?

6. Is it necessary to appoint an enquiry officer in order to work out the details of export of fruit ?

Letter No. 2024 *dated 24th July* 1933 *from Chamber to Government of Bombay.*

I am directed to acknowledge receipt of your letter No. 698-A/33, dated 24th July 1933, with its enclosures on the above subject, and to say in reply that Mr. Mathuradas Vissanji, Vice-President of the Chamber, will represent the Chamber at the Conference to be held at 12 noon on the 28th July 1933 in the Committee Room of the Secretariat.

APPENDIX 73.

Trade classification of Cotton.

Letter No. S-36A of 29th March 1933 *from the Director of Agriculture, Poona to Chamber.*

I have the honour to address you on the following subject :

As far back as 1930, the Indian Central Cotton Committee considered a note submitted by the Secretary, showing the differences in the trade classifications of cotton adopted by Government in the cotton forecasts, by the Bombay Chamber of

Commerce and by the East India Cotton Association. After much correspondence, this matter finally came to a head in the current year and was considered by a joint committee of the three bodies mentioned, and also a representative of the Indian Merchants' Chamber and representative of the Marwari Chamber of Commerce. This meeting, held in Bombay on March 7, appointed a sub-committee to determine the main heads under which the various cotton districts should be grouped and to formulate a comprehensive scheme of trade classification which would serve the requirements of the cotton trade, as far as practicable, and also help the Director-General of Commercial Intelligence and Statistics, to issue more accurate and reliable forecasts of cotton than what are published at present and submit their report to the full committee.

I attach herewith a copy of the minute of the sub-committee held on March 16, 1933. I am addressing you in the capacity of the Government representative of this sub-committee and would be much obliged if you would let me have, at an early date, answers to the following questions :—

(1) Do you think that the classification proposed, as regards your own district, is suitable ?

(2) If not, what modifications you would suggest and for what reasons ?

(3) Would it be possible for you to provide forecasts for all the subdivisions of cotton mentioned in section (iii) of the minutes ?

(4) If not, up to what stage of sub-division could the forcasts be given.

I should like to be in a position to report to the sub-committee about the middle of May 1933.

I. Report of a meeting of the Sub-Committee appointed by the Trade Classification Committee to determine the main heads under which the various cotton districts of India should be grouped and to formulate a comprehensive scheme of Trade Classification which would serve the requirements of the Cotton

Trade, as far as practicable, and also help the Director-General of Commercial intelligence and Statistics to issue more accurate and reliable forecasts of cotton than what are published at present held on Thursday, the 16th March 1933, at 3-30 p. m., in the Board Room of the Association, Taj Building.

Present :—

Haridas Madhavdas, Esq., (Chairman)
Purshotam Jivandas, Esq.,
M. Durutti, Esq.,
Chunilal B. Mehta, Esq.,
R. G. Saraiya, Esq.,
Dr. W. Burns, D.Sc., I.A.S.,

and in attendance the Assistant Secretary and the Manager, Clearing House.

II. The Chairman said that, in order to formulate a Trade Classification which would serve the requirements of the Cotton Trade and also help the Director-General of Commercial Intelligence and Statistics, to issue more accurate and reliable forecasts of cotton, it would be necessary to divide the Map of India into the following geographical districts, namely :—

(A) The area comprising of Sind, Punjab (including the North Western Frontier Province), Rajputana and the United Provinces.

(B) The area comprising of the Berars, the Central Provinces, Nimar district, East and West Khandesh, upto and inclusive of Nasik, the Nizam's territory and Sholapur, Kuruduwadi, Pandhurpur, Baramati, Nagar and Barsi districts.

(C) The whole of Central India.

(D) The area north of the river Nerbudda upto and inclusive of Kapadvanj and also the area traversed by the Gaekwar lines and branch lines upto Chhota Udaipur.

(E) The area south of the river Nerbudda upto and inclusive of Billimora and including the Rajpipla State.

(F) The area comprising of the North (Ahmedabad to Taranga, Mehsana-Taranga Hill line), and South Gujarat eastward till Rutlam and the Peninsulas of Kathiawar and Kutch.

(G) The area comprising of

(a) Bagalkot and Bijapur districts east upto Raichur.

(b) Hubli, Dharwar, Gadag, Miraj, Sangli, Shedbal, Athani, Mudhol, Kagwad, Bail-Hongal and Belgaum districts.

(c) Madras Presidency.

(H) The area comprising of Tuticorin and Travancore districts.

(I) Assam,

and

(J) Burma.

III. Continuing, the Chairman said that if the above districts were agreed to, cotton grown in those areas could then be classified as under :—

(1) Cotton grown in area (A) to be classified as *Bengals* and to be divided into U. P. Deshi, Punjab Deshi (including North Western Frontier Provinces), Sind Deshi and Rajputana Deshi and cotton grown from the American seeds in the Punjab and Sind to be divided into Sind / American and Punjab/ American and classified as *Americans.*

(2) Cotton grown in area (B) to be classified as *Oomra* and to be divided into

(*a*) Ordinary and Verum varieties of Nimar, Khandesh (including Banilla in the case of Verum) Berar, and Central Provinces.

and

(*b*) Ordinary white and long staple varieties (i. e. 3 kinds) of cotton grown in the Nizam's territory

(including Barsi-Nagar, Sholapur, Pandharpur, Baramati and Kuruduwadi districts).

(3) Cotton grown in area (C) to be classified as *Central India* and to be divided into Mewari and Malvi cottons.

(4) Cotton grown in area (D) to be classified as *Broach.*

(5) Cotton grown in area (E) to be classified as *Surti.*

(6) Cotton grown in area (F) to be classified as *Dholleras*; and cotton grown in the Kathiawar Peninsula to be divided into Wagad, Kala and Mathia. Cotton grown in Cutch State to be classified as *Cutch.*

(7) Cotton grown in area (G) to be classified as *Southerns* and

(*a*) to be divided into Jowari and Mungari varieties,

(*b*) into Compta and Uplands,

and

(*c*) into White and red varieties of Northerns (including Warangal and Cocanadas.)

(8) Cotton grown in area (H) to be classified as

(*a*) *Tinnevellies* (including Karungannis)

(*b*) Cambodias.

(9) Cotton grown in the Province of Assam to be classified as *Commillas.*

and

(10) Cotton grown in Burma to be classified as *Burmas.*

The sub-Commitee agreed with the districts and classifications suggested by the Chairman and resolved that copies of the same be forwarded to the members of the Sub-Committee for their information.

IV. The meeting was then adjourned *sine die* to enable Dr. Burns to communicate with the various Government Officials concerned and to submit their views for the consideration of the Sub-Committee at their next meeting.

Letter No. 1136 *dated* 1*st May* 1933 *from Chamber to the Director.*

I am directed to acknowledge the receipt of your letter No. S-36A, dated 29th March, 1933, and to submit, as under, the views of my Committee on the question of Trade Classifications of Cotton.

In the first place, my Committee are not in a position to give replies to the various questions raised in your letter, as the same are meant for the Government Officials.

My Committee have considered the Report of the Joint Committee of the Indian Central Cotton Committee, the East India Cotton Association, the Bombay Chamber of Commerce, the Marwari Chamber of Commerce and this Chamber, appointed to determine the main heads under which various cotton-districts of India should be grouped and to formulate a comprehensive scheme of Trade Classification, which would serve the requirements of the Cotton Trade, as far as practicable and also help the Director General of Commercial Intelligence and Statistics to issue more accurate and reliable forecasts of cotton than what are published at present. My Committee approve of the recommendations of the Joint Committee, as regards various cotton divisions and classifications of cotton grown therein. They are of opinion that the classification suggested would prove useful to the Trade and achieve the object desire, viz., issue of a more accurate and reliable cotton forecast by the Department of Commercial Intelligence and Statistics of Government of India.

APPENDIX 74

Diversion of Cotton trade from Bombay to Karachi and Kathiawar Ports.

Letter No. 3457/*G*/324-*A dated* 21*st April from the East India Cotton Association to Chamber.*

I am directed to inform you that the question of the increasing diversion of import trade in cotton from Bombay to Karachi and the Kathiawar Ports has been engaging the serious

attention of the Board of Directors of my Association and in this connection they have appointed a Sub-Committee consisting of Mr. Haridas Madhavdas (Chairman), Mr. M. Durutti and Mr. Purshotam Jivandas (with power to co-opt) to confer with representatives of the Bombay Port Trust, The Bombay Chamber of Commerce, The Millowners' Association, Bombay, The Marwari Chamber of Commerce and your Chamber on the question of making a joint representation to the Government of Bombay in matter of the levy of the existing Town Duty of Re.1/- per bale of cotton, the imposition of which has admittedly accentuated the diversion of the import trade in cotton from Bombay and to arrange for a representative deputation to wait upon the Hon'ble the Revenue Member and the Hon'ble the Minister in Charge of the portfolio for the purpose of making a personal representation in the matter and urging upon them the necessity for taking prompt action with a view to revising the heavy incidence of the existing Town Duty of Re.1/- per bale, should it not be possible for Government to abolish it altogether in view of the present financial stringency and stressing the fact that once the Cotton Trade has been diverted it would be exceedingly difficult to attract it back to Bombay.

Letter No. 1146 *dated* 1*st May* 1933 *from Chamber to the East India Cotton Association.*

With reference to your letter No. 3457/G/324-A, dated the 21st April, 1933, I a mdirected to inform you that my Committee have nominated Mr. Chunilal B. Mehta, to represent this Chamber on your Joint Committee regarding the above question.

APPENDIX 75.

Malpractices in the marketting of Yarn.

Letter No. G 1182 *dated* 29*th October* 1932 *from the Southern India Chamber of Commerce, Madras, to Chamber.*

I am directed to enclose a copy of a letter from the Director of Industries, Madras, embodying certain allegations against

methods of marketing cotton yarn. My Committee will be thankful if you will kindly forward the views of your Committee on the matter.

Letter No. 212-D/32 dated 9th September 1932 from the Director of Industries, Madras, to the Southern India Chamber.

As your Chamber is aware, the hand loom weavers in this Presidency obtain their supply of yarns largely from the Indian mills. It was brought to the notice of this Department that cotton yarn supplied by a number of spinning mills in India is badly reeled, contains a large number of loose threads and is not always of the reputed count. A suggestion was accordingly made that Legislation should be undertaken to prevent short reeling and to provide

(i) that a bundle of yarn should be made up of a standard weight of 10 lbs.

(ii) that each bundle of yarn should contain as many knots as the number of its count,

(iii) that each knot should contain 10 hanks, each hank containing 840 yards and

(iv) that the correct count of yarn should be indicated on the bundle.

2. Before acting on the above suggestion it was considered desirable to ascertain whether there has been extensive sale of short reeled yarn of Indian manufacture and whether there was any necessity to take action to prevent this, under sections 6 and 7 of the Indian Merchandise Marks Act, 1889. The Assistant Director of Industries (Textiles) therefore arranged to obtain some bundles of yarn from a prominent yarn dealer in Madras and to test them at the Government Textile Institute. The results of these tests are indicated in the statement given below ;

TESTS CONDUCTED IN 1930

Name of mill.	Reputed count.	Actual count.	Length contained in each hank	Shortage in yards in each hank.
Ahmedabad Mill A	40s	30.35s	607	253
Ahmedabad Mill B	40s	32.14s	706	134
Ahmedabad Mill C.	30s	23.4s	620	220

TESTS CONDUCTED IN 1932.

Ahmedabad Mill D.	40s	32.3s	702	138
Ahmedabad Mill E.	40s	25s	550	290
" 1st test	20s	15.5s	649	191
Bombay Mill F. 2nd test	20s	17.8s	748	92
Bombay Mill G.	40s	37s	746	94

3. It will thus be seen that while the tests conducted in 1930 revealed short reeling in the case of yarns manufactured in Ahmedabad, recent tests have disclosed short reeling in respect of yarns of other brands also. Short reeled hanks clearly indicate that the count of yearn contained in the bundle is not the correct count as indicated on the bundle. This is also further proved by the actual tests undertaken in respect of count or diameter of the thread.

4. I may also state that even a more serious practice than short reeling is to send cut bundles of short reeled yarns even without indicating the count of yarn or the name of the Mill where the yarn has been produced. Again, Mills which reel 650 yards per hank of 32s counts make up a bundle of 10 lbs. by putting

up 40 knots instead of 32. When the Mill rate for 32s is only Rs. 5-12-0 and the railway charge per bundle is 7 annas, i.e. in all Rs. 6-3-0, the agent of the Mill passes the bundle as 40s and sells it at price ranging from Rs. 6-12-0 to Rs. 6-14-6 while the price of real 40s in the market is Rs. 7-3-0 per bundle and real 32s is Rs. 6-10-0.

There is also the objectionable practice of changing wrappers. Wrappers on bundles containing inferior yarns are replaced by wrappers of well known trade marks of superior yarns.

In some cases, where the Mills put 20½ knots in the bundle, the merchants remove the ½ knots when the rates for 20s and 20½s are the same.

The latest fraudulent practice is to market imported yarns as Indian mill yarns.

All the above practices are certainly undesirable and should be put an end to.

5. I shall therefore be greatly obliged for the opinion of your Chamber in regard to the advisability of initiating legislation for preventing short reeling and the other malpractices referred to above.

Letter No. 193 *dated* 18*th January* 1933 *from Chamber to the Southern India Chamber.*

My Committee have considered your letter No. G. 1182 of the 29th October, 1932, giving cover to a copy of letter from the Director of Industries, Madras, embodying certain allegations against the methods of marketing cotton yarn.

They are of opinion that the names of those Bombay and Ahmedabad Mills who, as the result of the test conducted by the Director of Industries, Madras, are found to be adopting certain malpractices in marketing of yarns should be disclosed. It is obviously difficult to make investigation in the matter without such necessary information.

At the same time, my Committee hold the view that, if the grievances complained of are not covered by relevant sections 6 & 7 of the Indian Merchandise Marks Act, 1889 a fresh legislation will be necessary.

APPENDIX 76

State Aid to Minor Industries.

Letter No. 4974/ *D Dated 9th March* 1933 *from the Government of Bombay, General department, to Chamber.*

I am directed by the Government of Bombay (Transferred Departments) to forward herewith the summary of a scheme for State aid of minor industries, and to request you to be so good as to favour Government with the views, by the 1st June 1933, of your Chamber. I am to explain that the scheme has been submitted by the Director of Industries, Bombay, and has not yet been considered by Government.

SUMMARY OF A SCHEME FOR STATE AID OF MINOR INDUSTRIES.

State-aid to Industries.

It is suggested that the Government of Bombay may be pleased to undertake legislation in connection with State-aid to Industries. The scope of the Bill should be wider than merely financial assistance as is the case in most of the other provinces in this country. Under the Bill should come into being an *Industries Board* under the Chairmanship of the Director of industries and the Board should be competent to recommend to Government assistance in the following directions :

(1) Financial aid to industries.

(2) Financial aid to industrial schools started for special industries like tanning industry, gold thread industry, printing industry, cottage industries institutions, etc. Technical schools of the orthograph type teaching carpentry, smithy, mechanical engineering and electrical engineering would not be entitled to grant or assistance under this Bill.

(3) Experimental and research work.

(4) Practical demonstration of new processes and new industries.

2. The work in the above directions may be financed by a small cess levied on all industrial concerns in the Presidency of Bombay which are large enough to come under the Factories Act. The cess should be on the basis of a certain fixed sum of money per horse-power installed for the purpose of driving the machinery and equipment of the concern. The enclosure hereto gives an idea of the total number of concerns which will come under this scheme. It will be noted that the estimated total horse-power installed is 2,64,000. If at the commencement a charge of 8 annas per horse-power per year were made, the estimated annual income will be about Rs. 1,32,000/-. It will be noted that the smallest concern is estimated to have a 3 horse-power motor, which means that it will pay Rs. 1-8-0 per year. The largest concern will be a textile mill which will probably be called upon to pay about Rs. 900/- per year. An average textile mill will pay about Rs. 500/- per year. The cost of collecting will be practically negligible. It may be under about Rs. 2,000/- a year being the salary of an accounts-clerk in the Office of the Director of Industries. The names of the various concerns are available under the Factories Act. They will be expected to pay the amount concerned in the nearest Government Treasury and send the receipt to the Director of Industries together with a return of the horse-power installed.

3. The net receipts must be ear-marked and utilised for the above purposes and the grants should not lapse but should accumulate with the object of building up a fund for making it

possible in due course to finance industries under the above Act on an increasingly large scale.

Industry.	No. of Concerns.	Average H. P. per Concern.	Total.
TEXTILES.			
Cotton (Spinning, weaving and other) factories.	209	1000	209,000
Hosiery.	7	10	70
Silk Mills.	5	60	300
Woollen Mills.	2	325	650
Miscellaneous.	5	50	250
ENGINEERING.			
Coach building and motor car repairing.	22	20	440
Electrical Engineering.	2	5	10
Electrical generating and transforming stations.	10		
General Engineering.	43	15	645
Kerosine tinning and packing.	10	45	450
Metal stamping.	24	30	720
Railway Workshops.	18	400	7,200
Ship building and engineering.	2	150	300
Steel trunk, lock and cutlery.	1	25	25
Tramway Works.	2	200	400
Miscellaneous.	9	15	135
FOOD, DRINK and TOBACCO.			
Bakeries, biscuits and confectionery.	8	18	144
Coffee.	1	3	3
Dairy produce.	2	75	150
Flour Mills.	24	7	168
Ice and aerated water	15	25	375
Sugar.	1	850	850
Tobacco.	6	10	60
Miscellaneous.	6	10	60
CHEMICALS, DYES, ETC.			
Bone and Manures.	3	40	120
Chemicals.	2	45	90

Industry.	No. of Concerns.	Average H. P. per Concern.	Total.
CHEMICALS, DYES, ETC.—*Contd.*			
Dyeing and Bleaching.	34	20	680
Gas works.	2	50	100
Matches.	13	25	325
Oil mills.	43	25	1,075
Paints.	1	15	15
Soaps.	2	10	20
Miscellaneous.	10	5	50
PAPER and PRINTING.			
Paper Mills.	3	300	900
Printing, Bookbinding, etc.	85	18	1,530
Miscellaneous.	8	5	40
PROCESS RELATING TO WOOD, STONE AND GLASS.			
Bricks and Tiles.	8	25	200
Carpentry and Cabinet making	4	15	60
Glass.	5	15	75
Saw Mill.	5	30	150
Miscellaneous.	10	10	100
PROCESS CONNECTED WITH SKINS AND HIDES.			
Leather and Shoes.	1	15	15
Tanneries.	2	20	40
Miscellaneous.	3	6	18
MISCELLANEOUS			
Laundries.	3	15	45
Miscellaneous.	24	10	240
SEASONAL FACTORIES.			
Rice Mills.	77	20	1,540
Gur Factories.	36	17	612
Bone Mills (other than those in Hyderabad and Karachi)	2	35	70
Cotton Gins and presses (other than those in the town and Island of Bombay).	628	50	34,000
Miscellaneous(wool presses, Bhussa press)	4	12	48
			264,563

Letter No. 1195 *dated 8th May* 1933 *from Chamber to Government of Bombay.*

I am directed to acknowledge receipt of your letter No. 4974 /D, dated 9th March 1933, and to submit hereby the views of the Committee of this Chamber on the above subject :

My Committee are glad to note that Government have before them a scheme initiated under the auspices of the Department of Industries to afford State Aid to minor industries in the Bombay Presidency. They are of opinion that the adoption, though belated, by the Government of Bombay of the principle of State Aid to industries would be a step in the right direction. My Committee, however are strongly opposed to any proposals for further taxation being levied on industrial establishments for this purpose. They are further of the opinion that the Government of Bombay should provide from their annual Budgets the necessary funds to enable the Department of Industries to help minor industries in various possible ways on more effective and efficient lines. They feel that with the re-organisation of the Department of Industries and the additional funds allotted from the annual Budgets, the Department should be able to carry on such schemes. Under the circumstances, while affording as stated above their whole-hearted support to the Principle underlying the scheme under reference, my Committee are not at all prepared to support any proposals which would result in additional burdens on the industries of the Presidency which are already heavily taxed.

APPENDIX 77.

Competition of Jail industries with private enterprise.

Letter No. 2757 *dated 2nd November* 1933 *from Chamber to Government of India, department of Industries and Labour.*

I am directed by the Committee of this Chamber to address Government as under, in regard to the purchases recently made

by the Indian Stores Department of barrack blankets from the Central Jail, Bhagalpore, and the Jail Depot, Calcutta.

My Committee view with grave apprehensions the policy adopted by the Indian Stores Department of purchasing their requirements from jails. Government are no doubt aware that the commercial community, both European and Indian, of the country has time and again Protested in the past against competition by jail industries with private enterprise in the country. In the particular case under reference, the Indian woollen Mill industry looks to the Government of India with regard to orders for supplying their goods for the Army, Police and several other departments. If Government now adopt a policy of meeting their requirements from jails, it would adversely affect the indigenous woollen mill industry.

In this connection, my Committee would like to recall the opinion expressed by them in 1926, when they submitted their views to the Jail Industries Enquiry Committee, appointed by the Government of Bombay. They then observed that the establishment of power-driven machinery inside jails was undesirable and as such should not be allowed. They also referred to a resolution passed some years back by the Conference of Chambers of Commerce of the Empire to a similar effect. My Committee are strongly of opinion that the views expressed by them at that time apply with greater force now in regard to the particular case under reference, inasmuch as the indigenous private enterprise is very much handicapped through competition from foreign nanufacturers. It is all the more necessary, under such circumstances, that Government should help the indigenous industries by purchasing their requirements from them, and put a stop to the practice of buying from jails.

My Committee trust that Government will be pleased to instruct the Indian Stores Department and their various other Departments accordingly.

APPENDIX 78

Gramaphone records and Copyright of Songs.

Letter No. 2819 *dated 8th November* 1933 *from Chamber to the Government of India, Commerce department.*

I am ditrected by the Committee of this Chamber to address Government in regard to the grievance of manufacturers of Gramophone discs and records in India in the matter of copyright of songs.

The Indian Copyright Act, 1914, Section 19(2) (b) states that copyrights of records can be obtained by any manufacturer by giving due notice to the owner of the copyright and paying the prescribed fee under the Act. While the Act makes such a provision, there is no recognised body or bodies in the country registering copyright for songs, as in England and other countries and in the absence of such a provision in the Act it is obviously difficult for the manufacturers of records to know about copyrights of songs recorded in the country. It is, therefore, necessary that a Central Body should be created in India to regulate registration of copyrights of songs, etc. My Committee request the Government of India to be pleased to take early steps in this direction and thus remove the grievance of Indian manufacturers of Gramophone records.

APPENDIX 79.

Proposal to discontinue publication of Provincial administration reports re: Companies Act.

Letter No. 7580 *D dated* 16*th November* 1933 *from Government of Bombay, Finance department to Chamber.*

In view of the present financial stringency and the need for economy in expenditure, the question of discontinuing the publication of the Provincial Aministration Reports on the working of the Indian Companies Act, 1913, by local Governments

of India is under consideration. It has been suggested that the publication of the reports can be dispensed with if the return of Joint Stock Companies compiled by the Director General of Commercial Intelligence and Statistics from the information furnished to him, and published every month, were expanded so as to include the necessary information contained in the statements published in the annual provincial reports. The Director General of Commercial Intelligence has drawn up revised forms of statements to be included in his monthly publication together with a comparative statement showing the difference between the existing and the proposed revised forms. I am to request that Government may kindly be furnished with the views of your chamber with regard to the proposal to discontinue the provincial reports and the suitability or otherwise of the proposed revised forms.

2. I am to add that the introduction of the revised procedure referred to above will not affect in any way the Societies registered under the Societies Registration Act, 1860, a list of which will be kept up to date in the office of the Registrar of Joint Stock Companies as heretofore.

Letter No. 3034 *dated 2nd December* 1933 *from Chamber to Government of Bombay.*

I am directed by the Committee of this Chamber to acknowledge receipt of your letter No. 7580-D dated 16th November 1933, and in reply to submit hereby their views on the above proposal.

My Committee are sorry to note that at a time when the Government of India have announced their decision to conduct an All India Economic Survey, the Government of Bombay have thought it fit to propose discontinuance of the publication of the Provincial Administrative Reports on the working of the Indian Companies Act on grounds of the present financial stringency. The commercial and industrial community in India have always felt that there is a great need for such publications. It is their standing grievance that the Intelligence and Statistical service, both of the Central and Provincial Governments, is extremely meagre. The publications proposed to be discontinued are not

only useful for purposes of reference to the commercial community but are also valuable to students of economics for research purposes., Under these circumstances, my Committee are opposed to the proposal to discontinue these publications.

APPENDIX 80.

Discontinuance of the Bi-monthly list of Stores indented for by Government Departments from abroad.

Letter No. 322 (15) *dated* 11*th May* 1933 *from the Chief Controller of Stores, Indian Stores Department, to Chamber.*

I have the honour to invite a reference to this office letter No. K-107 dated the 7th August 1930 in which it was explained that the demand for the Classified List of Stores obtained from abroad, which is published bi-monthly, was diminishing and that under the revised "Rules for the supply of articles required to be purchased for the public service" the importance of the publication would be further reduced. It was, therefore, suggested that the publication might be discontinued. The majority of the associations addressed, from whom replies were received, agreed with the suggestion but in view of the fact that a few were in favour of the continuance of the publication it was decided to defer the abolition of the list pending actual experience of the working of the new rules. The rules have now been in force for over two years. During this period many of the Provincial Governments have adopted similar rules and the sales of copies of the publication have gradually dwindled to 2 or 3 of each issue. I, therefore, propose to recommend to the Government of India that the publication of the lists may now be discontinued.

The indents from Government Departments will continue to be scrutinised in this office as in the past and cases in which stores are proposed to be purchased from abroad which can be obtained in India will continue to be brought to the notice of indenting officers.

I shall be glad to be informed of the views of your chamber in the matter before addressing the Government of India on the subject.

Letter No. 1873 *dated 7th July* 1933 *from Chamber to the Stores Department.*

I am directed by the Committee of this Chamber to acknowledge receipt of your letters No. K-322 (15), dated the 11th May, and 3rd July, 1933, on the above subject, and to submit hereby their views on the same.

My Committee have carefully considered the proposal, contained in your letter, to discontinue the bi-monthly publication of the list of stores indented for by Government Departments from abroad, in view of the reasons explained thereon, as well as in a previous communication dated 7th August 1930.

When the first reference in this connection was received in 1924, my Committee had observed that the price of the publication was scheduled rather high, and it did not therefore attract sufficient number of purchasers. They then suggested that the price might usefully be brought down. It was suggested as an alternative that the publication of the information as a Supplement to the Indian Trade Journal, or atleast six-monthly (half-yearly) lists would equally serve the purpose. In 1930, on another reference from you, my Committee, in view of the circumstances explained, did not raise any particular objections to the proposal of discontinuing the publication.

My Committee have, however, taken this opportunity on a fresh reference from you, to reconsider the whole position and they now feel that there is a real necessity for the publication of such lists, because it is the only means by which Indians manufacturers could have an opportunity to see what articles were being indented for from abroad. Cases have been brought to the notice of my Committee that on reading the lists of supplies idented from abroad by the different Government Departments, some of their members were able to secure orders for some of the articles manufactured by them in this country. This, my Committee feel, is a great advantage to Indian manufacturers from the publication of such lists.

In view of these considerations, my Committee feel justified in not agreeing to the discontinuance of the publication They would, therefore, take this opportunity of reiterating their previous recommendation made in 1924 that these lists, instead of being published bi-monthly, might under the present altered circumstances, be published half-yearly or as Supplement to the Indian Trade Journal from time to time.

APPENDIX 81.

Proposal to discontinue the Annual Statement of Sea-bourne Trade of Bengal, Bombay, Sind and Madras.

Letter No. 8225/2 *dated* 26*th June* 1933, *from the Director General of Commercial intelligence to Chamber.*

I have the honour to say that in view of the high cost of preparing the provincial volumes of the Annual Statements of Seaborne Trade and Navigation the Government of India have decided that the printing and publication of the volumes for Bengal, Bombay, Sind and Madras should be discontinued with effect from 1931-32. They shall, however, continue to be compiled in manuscript for a period of two years so as to enable the Local Government or the various commercial bodies to obtain any particular information desired by them from the Custom House. Arrangements have been made for the Chambers of Commerce and other private bodies to obtain statistical information on specific application to the Custom House concerned subject to payment of reasonable charges.

2. The publication of the Annual Statement for Burma would be continued as usual.

Letter No. 1864 *dated* 7*th July* 1933 *from Chamber to the Director General.*

The Committee of this Chamber have considered your letter No. 8225/Q, dated 26th June 1933, suggesting the discon-

tinuance of the above publications on the grounds of the high cost of preparing the same. They are surprised to find that the Department of Commercial Intelligence and Statistics should have brought forward a proposal for curtailing whatever meagre statistical information is being made available in India to the public in general and the commercial community in particular.

Government must no doubt be aware that the commercial community in India have always been complaining about the paucity of statistical information in this country. The publications which are now being proposed to be discontinued are helpful in various ways to the trade and commerce of the Provinces.

Under the circumstances, my Committee are strongly opposed to the proposal. It is hoped that reasons of economy will not be allowed to come in the way of continuing the publication of these Statements, and the proposal to discontinue the same will not be given effect to.

Letter No. 10897 *dated* 18*th August* 1933 *from the Director General to Chamber.*

I have the honour to say that a copy of your No. 1864 dated the 7th July 1933 on the above subject has been forwarded to the Government of India for such action as they may deem necessary.

Letter No. 13285 *dated* 13*th October* 1933 *from the Director General to Chamber.*

I have the honour to invite a reference to the correspondence resting with this Department letter No. 10897 dated the 18th August 1933 on the above subject and to explain that the printing of the provincial volumes has been discontinued for a period of two years as an *experimental measure.* Government propose to reexamine the question after the expiry of this period in the light of experience gained. The views of your Chamber have in the meanwhile been noted,

Letter No. 2652 *dated* 21*st October* 1933 *from the Chamber to the Director General.*

I am directed to acknowledge receipt of your letter No. 13285-Q, dated 13th October 1933 on the above subject, and to observe that my Committee still feel strongly that the decision taken by Government in the matter will meet with disapproval from the entire commercial community. The publication of these statements, it may be reiterated, is very useful for purposes of reference and guidance to the commercial and industrial community of the country and as such should not be discontinued as proposed. My Committee trust that even now Government will be pleased to reconsider their decision and continue to publish the statements as before.

APPENDIX 82.

Articles of Association of the Central Bank of India Ltd.

Letter No. 161/33 *dated* 3*rd April* 1933 *from the Bombay Shareholders' Association to Chamber.*

I am directed by my Committee to invite the urgent attention of your Committee to a circular issued by the Central Bank of India Ltd., copy whereof is enclosed herewith for your information.

My Committee have carefully considered the principle underlying the resolution which is sought to be established to empower the Bank to compel any shareholder who, in the opinion of the majority of the shareholders, should be expelled "for the safety of the Company or for the protection of the interests of the Company." I am sending herewith a copy of the printed circular issued by my Committee to the shareholders of the Bank which will explain to you the position taken by them in the matter. My Committee particularly feel that full freedom of speech and action consistent with the interests of the Bank should be insisted upon if the management of banks is to be kept alive to

the vigilant criticism of shareholders. Though it is possible that the experience of the Central Bank in regard to the conduct of certain individual shareholders may be very unfortunate, that does not justify the assumption of powers which would lead effectively to the suppression of legitimate criticism, whenever necessary, of unsound practices and methods that may be followed by the management. Thus the issue involved is of sufficient importance to enable your Committee to take notice of the same. My Committee feel that a concerted action is necessary if the mischief sought to be perpetrated through the proposed resolution is to be effectively checked. They would therefore request your Committee to give urgent consideration to this matter and let them know whether your Committee subscribe to the principles involved in the resolution.

Circular letter dated 27th March 1933 from the Chairman of the Central Bank of India to the Shareholders of the Bank.

The shareholders of the Bank are aware of the loss and constant harassment and annoyance to which the Bank, its Directors, Auditors and Officers are being subjected by certain individual Shareholders acting not in the interests of the Bank but to the prejudice of the Bank and its credit with ulterior motives of their own, and the shareholders, at any rate those who are in Bombay and attend meetings of the Bank, must be aware of the disturbances made and scenes created at such meetings.

The Board have had this matter under careful consideration for a long period, and the Board feel it is absolutely necessary for the protection of the interests of the Bank and of the shareholders in general that the shareholders should have power to rid the Bank of such inimical and disturbing element whenever it is necessary to do so in the interests of the Bank or for the protection of the Bank. The Board are advised that the Bank and the shareholders can protect themselves in the matter by adequate provisions in the Articles of Association. Such power must first be given to the Shareholders by the Articles of Association and as the present Articles of Association of the Bank do not contain such an article the Board have had an Article framed authorising the Shareholders to exercise such power. The Article

fully safeguards the interests of the shareholder whose shares are proposed to be dealt with under the Article because it provides in the first instance that the power can only be exercised by a three-fourth majority at a meeting called for the purpose and it further provides for payment to the Shareholder of the full value of his shares.

The provision for payment is extremely liberal because the payment would be of the amount paid-up on the share or the current market price whichever be the higher.

A special Resolution will have to be passed to provide such an article and Notice of Meeting to pass such Resolution will be found herewith.

The Board assure the Shareholders that they are putting this proposal before the Shareholders because the past experience of the Bank renders the step absolutely necessary for the protection of the interests of the Bank.

THE CENTRAL BANK OF INDIA LIMITED.

Notice is hereby given that an extraordinary General Meeting of the Central Bank of India, Limited will be held at the registered Office or the Bank at Central Bank Building, Esplanade Road, Fort, Bombay, on Wednesday the 12th day of April 1933 at 3 p.m. (S.T.) when the subjoined Resolution will be proposed.

RESOLUTION.

That the Articles of Association of the Company be altered by the insertion therein immediately after Article 37 of the following Article, namely :—

37A (1) The Company may by a Resolution passed by a majority of not less than 3/4ths of such members entitled to vote as are present in person or by proxy at a general meeting of which notice specifying the intention to propose the Resolution has been duly given, determine that it is necessary for the safety of the Company or for the protection of the interests of the Company that

a member hereinafter called "the outgoing member" be required to sell and transfer his shares.

(2) On the passing of such Resolution the following provisions shall take effect: —

(a) The Board shall within seven days of the passing of the resolution require the outgoing member by notice in writing to sell and transfer his shares to a person named in that behalf in the said notice in consideration of payment of a sum equal to the capital paid up on such shares or a sum equal to highest quoted price as hereinafter defined for the said shares whichever of the two be the higher and the sale shall be carried into effect at the Registered Office of the Company on a date appointed in that behalf by the notice not being later than a week from the date of the notice.

(b) The Outgoing member shall hand to the Company at the Registered Office of the Company on the date so appointed in the notice against payment of such consideration as aforesaid the share certificate or certificates in respect of the shares to be transferred by him and proper instrument of transfer of such shares duly signed buy him.

(c) If the outgoing member makes default in receiving such consideration or handing to the Company such share certificates and instrument of transfer as aforesaid the Company may receive consideration on his behalf and the Board may authorise some Director of the Company to transfer the shares on behalf of the outgoing member to such person and such transfer thereupon shall be effectual and after such transfer the Directors may on the application of the transferee issue duplicate share certificates in respect of the shares so transferred.

(3) After the name of such transferee has been duly entered in the register of Shareholders of the Company as the

transferee of such shares the validity of his title to the shares so transferred shall not be liable to be questioned.

(4) For the purposes of this article the highest quoted price shall mean the highest price quoted for the shares of the Company on the Native Share and Stock Brokers Association Exchange in Bombay on the day on which the said Resolution is passed, or if there be no quotation for the shares of the Company on that date, then the highest price quoted for the shares of the Company on the said Exchange on the last date preceding the date of the said Resolution on which the shares of the Company were quoted, provided that there is a quotation for the shares of this company on the said Stock-Exchange within 60 days immediately preceding the date of the said Resolution.

(5) For the purposes of this Article, a certificate signed by the proper office of the said Exchange certifying the highest price quoted for the shares of the company on the Exchange on the date of the said Resolution or certifying that there was no quotation for the shares of the Company on the date of the said Resolution and certifying further the last date preceding the date of the resolution on which the shares of the company were quoted on the Exchange and the highest rate quoted on such date or that there was no quotation for the said shares within 60 days immediately preceding the said Resolution shall be conclusive.

(6) The Resolution mentioned in para (1) when duly passed by the said requisite majority shall be conclusive as to its being necessary for the safety of the Company or for the protection of the interests of the Company.

Letter No. 1001 *dated 8th April* 1933 *from Chamber to the Shareholders Association*

Your letter No. 161/33, dated the 3rd April 1933, regarding the circular issued by the Central Bank of India, was placed before the Committee of this Chamber at their meeting yesterday

In reply, I am to give below, for your information, copy of the Resolution passed by my Committee on the subject :—

RESOLUTION.

"Resolved to write to the Bombay Shareholders' Association to the effect that, without approving of the resolution as framed by the authorities of the Bank, the Committee were of opinion that the difficulties under which Joint Stock Companies are labouring at present required more detailed consideration."

APPENDIX 83.

Indian Delegation at the World Economic Conference, 1933.

Letter No. 1734 *dated* 20*th June* 1933 *from Chamber to the Government of India, Commerce Department.*

" I am directed by the Committee of this Chamber to lodge hereby their respectful but emphatic protest against the composition of the personnel of the Indian delegation at the World Economic Conference at London.

My Committee deeply deplore the attitude of the Government of India and the India Office for consistently disregarding the unanimous wishes of the Indian commercial community, expressed time and again, regarding the composition of delegations on behalf of India to various International Conferences and gatherings ever since the inauguration of the League of Nations and International Labour Organization..

On numerous occasions, such as the Annual Sessions of the International Labour Organization, Annual Assemblies of the League of Nations and the last World Economic Conference held in 1927, the Indian commercial community have unequivocally declared that delegations representing India at such International Conferences and gatherings should be predominantly and preeminently Indian. The Federation of Indian Chambers of Com-

merce and Industry, at its Sixth Annual Session held at Delhi last April, passed unanimously a Resolution expressing the opinion that India should be represented at the World Economic Conference only by Indians enjoying the confidence of the Indian commercial community. It is unfortunate that the Government of India and the India Office should have disregarded the well-considered and unanimous wishes of the Indian commercial community in regard to the Indian delegation at the World Economic Conference. My Committee venture to submit that such an attitude on the part of the authorities concerned, especially on the eve of great Constitutional changes, in the country, will not lead to salutory results. It is the considered view of my Committee that on such vital quetions, such as India's fiscal needs, monetary problems, etc., only non-official Indians enjoying the confidence of the Indian commercial community can speak with authority and knowledge at the World Economic Conference. The Indian delegation, as announced, is overwhelmingly non-Indian in character and is led by a non-Idian, who is not even a member of the Governmet of India but who is a member of the British Cabinet.

The most objectional part, however, is the device of instituting a Consultative Committee with the ostensible purpose of consultation with the members of that Committee on matters coming up for consideration before the Conference. This procedure of inviting leading Indian businessmen to serve on the Consultative committee in a consultative capacity has rightly been resented as highly derogatory and humiliating not only to the Indian commercial community but also to the country as a whole.

My Committee trust that the authorities concerned will even now not fail to correctly estimate the strength of the feelings entertained by the Indian commercial community in the matter of composition of Indian delegations and respect their wishes by laying down as their policy that all delegation on behalf of India to International and Imperial Conferences shall always be predominantly and pre-eminently Indian in character.

APPENDIX 84.

Amendments to the Rules of the Native Share and Stock Brokers Association.

Via Bombay Govt. Gazette, Part I, dated 23rd Feb. 1933, Page 475, and Finance Department No. 2902 D. dated 6th March 1933.

Letter No. 926 *dated 24th March* 1933 *from Chamber to the Government of Bombay, Finance department.*

I am directed to acknowledge receipt of your letters, No. 2902-D, dated the 27th February and 11th March, 1933, on the above subject, and to send to you hereby the views of my Committee thereon.

My Committee generally approve of the various amendments suggested by the Native Share and Stock Brokers' Association in their Rules for regulating and controlling of transactions and dealings.

With regard to the proposed amendments Nos. 66 and 67 to the Rule 252, my Committee would, however, approve of them with the modification that the amendment Rule should apply only to companies to be registered hereafter.

APPENDIX 85.

Bye-laws of the East India Cotton Association—Amendments to

Vide Bombay Government Gazette Part I dated 14th September 1933, P. 2077, and Finance Department No. 5 789-D dated 4th September 1933.

Letter No. 9842 *-D dated* 18*th September* 1933 *from Government of Bombay, Finance Department to Chamber.*

I am directed to forward for the information of your Chamber a copy of Government Notification, Finance Department No. 9842-D dated 4th September 1933 on the subject mentioned above. The Notification has been published at pages 2075-2077 of Part I of the Bombay Government Gazette dated 14th September 1933.

Letter No. 2530 *dated 5th October* 1933 *from Chamber to the Government of Bombay.*

I am directed by the Committee of this Chamber to acknowledge receipt of your letter No. 9842-D, dated 18th September 1933 and to submit hereby their views on the above subject:

My Committee have considered the various Trading Ring By-laws and they have no objection to the same, except for By-law No. 177. In regard to this By-law, my Committee would suggest that it should be provided therein that "no person shall be allowed to trade in the Ring unless the principal for whom he works, undertakes the liabilities for his transactions."

Letter No. 5789 *-D dated 13th September* 1933 *from Government of Bombay to Chamber.*

I am directed by the Governor in Council to invite the attention of your Chamber to the Government Notification, Finance Department, No. 5789-D dated 11th September 1933 on the subject mentioned above. A copy of the Notification, which has been published at page 2063 of Part I of the Bombay Government Gazette dated 7th September 1933 is enclosed for ready reference.

Letter No. 2528 *dated 5th October* 1933 *from Chamber to Government of Bombay.*

I am directed by the Committee of this Chamber to acknowledge receipt of your letter No. 5789-D, dated 14th September 1933, and to observe that they have no objection to the proposed additions to and amendments of By-laws of the East India Cotton Association referred to in the Government Notification on the subject.

APPENDIX 86.

Revision of the Rules and Regulations and By-laws of Federation of Indian Chambers.

Letter No. 580 *dated* 31*st May* 1933 *from the Federation to Chamber.*

I am directed to enclose a copy of the Rules and Regulations and Bye-laws of the Federation as amended at its Second

Annual Session held in Calcutta in December, 1928, together with the various proposals submitted by the Executive Committee to the Sixth Annual Session of the Federation in April last. The proposals for amending the Rules and Regulations and the alterations and additions in the Bye-laws as proposed by the Executive Committee are shown in italics to distinguish them from the body of the present rules and regulations and bye-laws. I am further directed to invite your attention to the discussion that took place at the Sixth Annual Session of the Federation when the question of revision of the constitution came up for discussion. It was felt during the session that due consideration was not given to the proposals submitted by the Executive Committee and that the Member-Bodies should be given another opportunity to consider all these proposals with a view to enable them to express their opinion on the proposals of the Committee as well as to submit their own suggestions in respect of these proposals.

The proposals as suggested by the Executive Committee for aceeptance are as under :—

(i) Conditions relating to election of Honorary Members are definitely laid down. (Vide Rule 4, para. 3.)

(ii) A new clause is inserted regarding expulsion of a Member-Body from the membership of the Federation. (After Rule 5).

(iii) Eligibility for being nominated a representative and the right to exercise vote are clearly defined. (Vide clause 7a.)

(iv) Representatives are required to pay certain fee. (Vide clause 7c).

(v) Outgoing President is given a seat on the Executive Committee for one year. (Vide Rule 14a.).

(vi) Conditions for co-option of specialists are clearly defined. (Vide Rule 16).

(vii) A new clause lays down as to whom shall be entitled to stand for election to the Committee. (After Rule 16.)

BYE-LAWS.

(i) Amended Bye-law 1 (a) deals with the procedure for the submitting of resolutions by Member-Bodies to the Executive Committee and Bye-law 1 (b) lays down the procedure re : submitting a certified return of number of members of each affiliated Member-Body.

(ii) Newly proposed Bye-law 2 (a) and (b) clearly lays down the procedure about resolutions submitted by Member Bodies.

(iii) Newly proposed Bye-law 6 (a) and (b) deals with the consideration of resolutions included in the classified list of resolutions, while 6 (c) lays down the procedure about fresh resolutions brought at the Annual Session.

(iv) Newly proposed Bye-law 8 lays down the procedure for election to the Executive Committee.

While considering all these proposals, Member-Bodies should carefully go through the discussion that took place in the open Session at the last Annual Meeting with a view to acquaint themselves with the various points of view put forward by their representatives. They should also clearly indicate whether they are in favour of their representative moving any amendments, which the representatives may like to move on their own individual responsibility in the open session, to the resolutions moved, or whether they want their representatives to restrict themselves to such of the views as are expressed by their Member-Bodies in the resolutions included in the classified list. In this connection, it should be borne in mind that the Federation, unlike all other Organisations, is a Body made up of commercial chambers and associations and not of individuals and is represented at Annual Sessions by their representatives. Member-Bodies are further requested to discuss these proposals very carefully 'particularly the question of moving fresh amendments to resolutions on the agenda and should communicate their views as well as whatever new suggestions they desire to make to the Executive Committee, to reach this office by 1st September, 1933. This will give them more than three month's time to submit their proposals on this question. I am forwarding, under separate cover, five copies of the letter and its enclosure for the use of your Committee and may supply a few more copies on request.

Letter No. 2218 dated 17th August from Chamber to Federation.

I am directed to acknowledge receipt of your letter No. F. 580, dated 31st May 1933, on the above subject, and to send to you hereby the views of the Committee of this Chamber on the proposals seriatim, as suggested by your Executive Committee and contained in your said letter.

RULES & REGULATIONS :

My Committee have no objection to proposal No. 1). In this connection, they would, however, like to draw your attention to Rule 4, which says that there shall be two classes of members : 1) Ordinary, and 2) Honorary or Corresponding Members. My Committee feel that Honorary and Corresponding members should be classified separately as under :—

Sub-clause 2) Honorary ; and

„ 3) Corresponding Members.

With regard to proposal No. 2), re: new clause re : expulsion of a Member-Body from membership of the Federation, my Committee, while approving of the same, are of opinion that the issue of the notice to the Member concerned should be decided upon by 3/4ths of members present at the meeting of the Executive Committee before such a notice is issued.

As regards proposal No. 3), my Committee would suggest that Rule 7 (a) be re-worded as follows :—

"7 (a). If a person has been nominated as a representative by more than one Ordinary Member, he will have the right to exercise only one vote.
The representatives shall be
1) members of the nominating Member-Body ;

or

2) constituted representatives of firms or limited companies which are members of the nominating Member-Body."

With regard to proposal No. 4), laying down that each representative shall pay Rs. 20/- as delegation fee for the annual

session, my Committee that the same is too high and should be reduced to Rs. 10/- only, and it should also be provided that the fees of such delegates who may not be able to attend the session should be refunded.

Regarding proposal No. 5) giving a seat to the outgoing President on the Executive Committee, my Committee are opposed to the same on principle, as they are of opinion that outgoing Presidents, if they want to be on the Committee, must seek re-election.

My Committee have no objection to proposal No. 6) re : conditions for co-option of Specialists on the Committee.

My Committee are strongly opposed to proposal No. 7) relating to a new clause laying down as to who shall be entitled to stand for election to the Executive Committee.

While considering revision of the Rules and Regulations of the Federation, my Committee would like to take this opportunity of suggesting some change in Rule 26 re : alteration of the Rules and Regulations of the Federation. They are of opinion that the General Body have the power to make alterations or additions in the Bye-laws of the Federation as well, which is not provided for in the existing rule. They, therefore, suggest that the words "as well as Bye-laws" should be added after the words "Rules and Regulations" occurring in Rule 26.

BYE-LAWS :

With regard to proposals Nos. 1) and 2), my Committee have no objection to the same.

As regards proposal No. 3), re : amended Bye-law 6 (a), my Committee are of opinion that 3/4th majority is too high for permission to discuss any resolution submitted by Member-Bodies, and a bare majority should suffice for the purpose. They, therefore, suggest that the proposal amending Bye-law 6 (a) be modified accordingly.

Again, in the same amended Bye-law 6 (a), it is proposed that any amendment to a proposition which thus gets the approval of the House by prescribed majority should also obtain

the permission of the Chairman. My Committee are strongly opposed to this, as they are of opinion that once the House gives permission to discuss certain questions there should be no further bar.

With regard to amended Bye-law 6 (c), my Committee are also opposed to the proposal providing for the previous permission of the Chairman for representatives to move amendments to any fresh resolution as may be brought before the General Body by the Executive Committee.

My Committee have carefully considered the concluding paragraph of your letter. They are of opinion that representatives of the Member-Bodies are generally expected to represent the views of their constituents on matters coming up for discussion before the General Body, and they should, therefore, have freedom in the expression of their views on such questions. Moreover, there may be some important questions brought before the House at the eleventh hour, and on which it may not be possible for the representatives to get instructions from their constituents. Under the circumstances, representatives must be left to express such opinions as they think would conform to the views of their constituents. My Committee are, therefore, strongly of opinion that no restrictions should be placed on representatives of the Member-Bodies, both in regard to the expression of their views on resolutions and questions before the House, as well as moving amendments to fresh resolutions that may be brought before the General Body.

APPENDIX 87.

Views of the Committee on the Statement of the Secretary of State for India at the Conclusion of the III R. T. C.

PRESS-NOTE.

The Committee of the Indian Merchants' Chamber have considered the speech of the Right Honourable the Secretary of State for India at the conclusion of the Third Round Table Conference. The Committee had apprehensions that the Third Round

Table Conference, under the circumstances in which it was held, and in view of the absence from it of representatives of the biggest political party in the country, would not be able to set up any mile-stones in the road to Self-Government for this country. Unfortunately, these apprehensions entertained by the Committee appear to have been justified by the course events have taken at the Third Round Table Conference, The Rt. Hon'ble the Secretary of State for India has, no doubt, applied as much sugar as possible to the bitter pill he is giving to the Indian people to swallow, but India now wants not the shadow but the substance of Self-Government. The Committee have not been able to find out even the outlines of the framework of the future Constitution of this country from the discussions which went on in London or from the speech with which the proceedings of the Conference have been wound up. They were led to expect, from some of the speeches of the Prime Minister and others delivered at the First and Second Conferences that a goodly structure would be raised with the joint efforts and co-operation of British and Indian statesmen, but, unfortunately, the position at present is that even the designs and drawings are not clear to any one. No conclusions are yet given but are left to be embodied in the Bill, which is, presumably, being prepared for presentation to Parliament. There are naturally, therefore, only vague and indefinite general statements which, while they do not afford any ground for optimism, have given rise to apprehensions and misgivings in the minds even of some of the Liberal statesmen of this country.

The Committee of the Chamber are naturally interested, primarily and fundamentally, in that part of the Round Table Conference proceedings, which related to financial and economic matters, though they hold the belief, which they have always put forward, that there is no hope for trade and industries in the country unless the political Constitution of the country is so changed as to satisfy the hopes and aspirations of the Indian people. Financial and economic Swaraj is the essential foundation for political Swaraj, and if there is any gap in this foundation, the political Constitution will not be what is required. There will be, it appears, financial and commercial Safeguards, against which the Committee have been protesting all this time,

Sir Samuel Hoare says that he regards the Safeguards "not as stone wall that blocks the road, but as hedges on each side that no good driver ever touches but they prevent people on a dark night from falling into the ditch." The Committee regret that they cannot take this view, as they consider these Safeguards, if not as a stone wall that blocks the road, at least as big impediments which make the road almost impassable. The hedges, to take Sir Samuel Hoare's metaphor, may sometimes be so close on the road, as one finds in country lanes, as almost to obstruct the traffic an dto make vehicular traffic impossible.

The establishment of the Reserve Bank, as such, is not opposed by public opinion in this country, but what it wants is, as was sufficiently evidenced at the time of the last Reserve Bank controversy, that the Legislature should have a controlling voice in its formation and in the selection of its Directors. It must be an Indian Institution, with Indian capital, and should not be controlled by any interests outside the country. If the Reserve Bank is going to be considered as a *sine qua* non for the transfer of financial responsibility to Indian hands, efforts should be made to get it established as soon as possible. Unfortunately, the free and unrestricted exports of gold, which have now totalled beyond Rs. 100 crores, have taken away the reserves which might have formed the basic foundation of the Reserve Bank. But this cannot be urged as a plea against the early establishment of the Reserve Bank, in view of the fact that these exports were allowed under the policy of Government. The halting method in which the transfer of the financial control is proposed to be given, will give rise to diarchy at the Centre and weaken the financial administration of the country, jeopardising the success of the first popular Government. Responsibility at the Centre has been the claim by all sections of the people as the essential basis of the future Constitution. While the British Cabinet appear to have conceded this, it is hedged round with so many limitations and restrictions that there seems to have been left only a shadow of responsibility. While the financial control is proposed to be given in a halting manner as stated above, with regard to Defence there are even greater restrictions and limitations. A complete control of the Army in India by Great Britain appears

to have been accepted still as the policy of the future, as it has been the policy of the past, and, with all the talk of Indianisation of our Army, we are faced with the prospect of having this Indianisation completed in about a century. Without these two important portfolios of the Finance and the Army, free and untrammelled in Indian hands, it is impossible to visualise the new Constitution as in any way approaching the Dominion Status, which all sections of the Indian people have demanded and which has been promised in the past. So far as can be seen nothing has been laid down to the satisfaction of the Indian commercial community about the so-called "Commercial Safeguards," Army Expenditure and the like questions, which affect the future of the country to a large extent; and not only that but whatever little is indicated therein is entirely unsatisfactory. Trade and industries cannot advance, if they are to be throttled by the so-called commercial safeguards, and the future of the whole country will be mortgaged away if the Army expenditure is to continue at its present ruinous and extravagant rate. The Committee hope that the Bill to be prepared and presented to Parliament, may dispel some of their fears and misgivings. For the present, however in view of the reports which have appeared in the Press, they are obliged to express their serious fears and apprehensions and to regard the outcome of the Third Round Table Conference as in some respects distinctly retrograde instead of progressive.

APPENDIX 88.

Release of Mahatma Gandhi and other Political Prisoners.

Telegram dated 4th January 1934 *from Chamber to Private Secretary to H. E. the Viceroy.*

Please place the following message before His Excellency for his kind consideration :—Committee Indian merchants Chamber reiterate their previous request for the immediate release of Mahatma Gandhi and other political prisoners. Looking to the

desire expressed by the Secretary of State for India for co-operation and help of every section of Indian opinion with regard to the new constitution it is eminently desirable and essential that a suitable atmosphere should be created in the country. The release of Mahatma Gandhi and all Political Prisoners will tend to create such an atmosphere. If such co-operation is really desired the immediate release of Political Prisoners is indispensable and it would be held by the public as a convincing proof of the earnestness of Government in the matter. They therefore urge that Mahatma Gandhi and the other Political Prisoners be released forthwith. It is hoped that His Excellency the Viceroy will be pleased to accept this request.

Telegram dated 13th May 1933 from the President Indian Merchants Chamber to the Right Honourable the Prime Minister.

Committee Indian Merchants' Chamber regret peace gesture made under advice of Mahatma Gandhi by Acting Congress President has not met with a sympathetic response from the Government of India. Committee consider it essential that such members of the Working Committee of Congress as are in jail should be immediately released so as to enable them to review situation. Committee therefore appeal to you to direct the Government of India to release atleast members of the Working Committee as in Jail. Not only would such a step contribute materially towards restoration of peaceful atmosphere in the country but would also prove a source of strength to Mahatma Gandhi during his fast.

APPENDIX 89.

Amendment to the Auditors' Certificate Rules, 1932.

Government of India, Department of Commerce Notification No. 1 (5) T. & E. (R. A.), dated Simla, the 3rd June 1933 :

REGISTRATION OF ACCOUNTANTS.

"The following draft of certain amendments to the Auditor's Certificates Rules, 1932, which it is proposed to make in exercise of the powers conferred by sub-section (2) of section

144 of the Indian Companies' Act, 1913 (VII of 1913), is published, as required by the said sub-section, for the information of all persons likely to be affected thereby, and notice is hereby given that the said draft will be taken into consideration on or after the 3rd July 1933.

Any objection or suggestion which may be received from any person with respect to the draft before the aforesaid date will be considered by the Governor General in Council.

DRAFT AMENDMENTS.

(1) For clause (4) of rule 4 of the said Rules the following clause shall be substituted, namely :—

"(4) has been convicted by a competent court, whether within or without British India, of an offence punishable with transportation or imprisonment unless the offence of which he was convicted has been pardoned, or unless, on an application made by him, the Governor General in Council has, by order in this behalf, removed the disability ; or."

(2) In sub-rule (1) of rule 14 of the said Rules :

(i) at the end of clause (a) the word 'or' shall be added;

(ii) for clause (b) the following clause shall be substituted, namely :—

"(b) who is found to have been subject at the time of his enrolment or thereafter has become subject to any of the disabilities stated in clauses (1), (2), (3) and (4) of rule 4, or."

(3) In clause (b) of rule 22 of the said Rules—

(i) after the words "recognised for the purpose by the Governor General in Council" the words and brackets '(hereinafter referred to as a regular certificate)' shall be inserted ;

(ii) for the proviso the following proviso shall be substituted, namely :—

"Provided that for a period of twelve months after the commencement of these rules a certificate of attendance for one academic year at an institution recognised by the Accountancy Diploma Board, Bombay, (hereinafter referred to as a substituted certificate), shall be accepted as equivalent to a regular certificate, and that a candidate thus allowed to appear at the initial First Examination by virtue of a substituted certificate shall not be ineligible for admission for any subsequent First Examination by reason only of the fact that he is not in a position to produce a regular certificate, or."

(4) To clause (b) of rule 25 of the said Rules, the following words shall be added, namely :—

"or is exempt from service under articles."

(5) In sub-rule (2) of rule 38 of the said Rules for the words "seven years and" the words "seven years or" shall be substituted.

(6) In rule 55 of the said Rules—
for clause (a) the following clause shall be substituted, namely :—

"(a) if he is found to have been subject at the time of his appointment to the Board or thereafter has become subject to any of the disabilities stated in clauses (1), (2), (3) and (4) of rule 4, or."

Letter No. 1853 *dated 5th July* 1933 *from Chamber to Government of India, Commerce Department.*

I am directed by the Committee of this Chamber to send to you hereby their views regarding the proposed amendments to Auditor's Certificates Rules, 1932.

My Committee have carefully considered the proposed amendment No. 1), proposing a substitute for clause (4) of Rule 4 of the above Rules. My Committee cannot understand the reason why Government have thought it proper to amend the clause as proposed. They feel that the proposed amendment

is undesirable inasmuch as it gives too wide a power to Government over the members of the Accountancy profession. It is also likely to be abused, because persons convicted under political offences may be disqualified from enrolment on the Register.

When Government referred to them the draft of the original Rules which were subsequently passed in 1932, my Committee had suggested at that time the following clause instead of clause (4) as then framed by Government :—

> "has been convicted by a competent court of any offence involving moral turpitude which is punishable under the Indian Penal Code and is, under the provisions of the Code of Criminal Procedure, non-bailable."

My Committee were at that time and even now are of the opinion that such a clause would prove a sufficient safeguard against persons of questionable character being qualified to enrol as member on the Register. The proposed amendment now under consideration, as pointed out above, is highly objectionable and as such my Committee are strongly opposed to the same. They would, therefore, request Government to be pleased to reinstate the draft amendment proposed by them in 1931 and reproduced above in place of the present draft.

With regard to the proviso to clause (b) of Rule 32, my Committee feel that it is desirable that Undergraduates, who have filled in terms for the G.D.A. course at recognised institutions and who had failed to get through the examination, the last of which will be held in the year 1934, should not be unduly penalised and prevented from appearing at the First Examination for R. A. Diploma under the new rules in force. They would, therefore, request Government to be pleased to so modify the proviso as to permit such Undergraduates as mentioned above to appear for the first examination of the Diploma.

My Committee are opposed to the draft amendment No. 5, substituting the words "seven years or" for the words 'seven years and" in sub-rule (2) of Rule 38 of the 1932 Rules.

With regard to the other amendments, my Committee have no views to offer.

APPENDIX 90.

Rule 8 of the Auditor's Certificate Rules.

Letter No. 2603 dated 12th October 1933 from Chamber to Government of India, Commerce Department.

I am directed by the Committee of this Chamber to address Government hereby on the above subject as under :

My Committee have received complaints in regard to applications for enrolment on the Register of Accountants, under Rule 8 of the Auditors certificates Rules, 1932, made by some auditors to Government. Rule 8 of the above rules, as is well known, was specially inserted to enable the All India Accountancy Board to admit claims of those who had theoretical training and practical experience in Accountancy and Auditing, but who, on account of the force of circumstances, could not go in for the required period of service under the Articles. My Committee understand that about fifty applications were made by auditors from all over India to the Accountancy Board for enrolment under this Rule, and all of them with the exception of two, were rejected. They submit that these persons have good theoretical training and practical experience in accountancy and auditing some of them having had experience extending over twenty years and holding responsible positions. In this connection, my Committee would like to be enlightened as to the reasons why the All India Accountancy Board thought it fit to accept only two out of the fifty applications and to reject the rest.

My Committee would also point out that, under the new Rules 1932, service extending over nine years is recognised as equivalent to three years Articles. They fail to understand why independent practice for the same length of period is not recognised as such an equivalent. They also understand that the Rules of the Society of Incorporated Accountants, London, whose members are recognised by the Indian Board, provide that nine years' practice is equivalent to five years Articles. My Committee fail to see why a similar rule should not be provided for in the new Auditors Certificates Rules here. Again, as Rule

8 will expire on 31st March 1934, persons who are otherwise qualified and have ample practical experience in accountancy and auditing will be debarred from enrolling themselves on the Register of Accountants for ever. My Committee feel that the complaint of the above mentioned persons, about Rule 8, is well-founded and that Government should move the All India Accountancy Board to reconsider their previous decision in regard to the enrolment of these persons on the Register.

Letter No. 2 (34)—T & E (R. A.) dated 28th November 1933 from the Government of India to Chamber.

I am directed to acknowledge the receipt of your letter No. 2603 dated the 12th October 1933, asking for reconsideration by the Government of India of cases of persons whose applications for enrolment on the Register of Accountants under rule 8 of the Auditor's Certificates Rules, 1932, have been rejected.

2. In reply I am to explain that rule 8 gives power to the Governor General in Council to accept, at his discretion, applications for enrolment on the Register of Accountants from persons who are neither entitled to nor eligible for such enrolment under the Indian Companies Act or the Auditor's Certificates Rules. This power is intended to be exercised in cases of exceptional merit and is operative only until the 31st March 1934. I am to add that all applications for enrolment on the Register of Accountants under rule 8 were very carefully considered by the Indian Accountancy Board and by the Government of India, and the applicants whose qualifications, regard being had to the standard of efficiency which should be maintained in the interests of the profession, did not justify the exercise in their favour of the special power referred to above, were refused enrolment.

In this connection, I am to observe that even before the commencement of the Auditor's Certificates Rules, 1932 a clear distinction was maintained between accountants who were considered fit to practise throughout British India and those who were permitted to practise only in a particular province, with or without the condition that they were to audit accounts maintained in specified vernaculars. The former were granted permanent unrestricted certificates while the latter were granted

restricted certificates, generally temporary in the first instance. It was, however, always open to the latter class to qualify themselves for the grant of unrestricted certificates by passing the examination for the Government Diploma in Accountancy, and obtaining that Diploma without undergoing any further practical training. Under the Auditor's Certificates Rules also, a person who has held for a period of not less than seven years a restricted certificate granted by a local Government can by passing only the Final Examination and without serving any further period under articles become eligible for enrolment on the Register. The rights relating to the audit of the accounts of companies within a province possessed by holders of restricted certificates before the commencement of the Auditor's Certificates Rules have been safeguarded by the promulgation of the Restricted Certificates Rules, 1932, and it was never the intention of the Government of India that a person who, before the commencement of the Auditor's Certificates Rules, was not considered fit to practise as an auditor throughout British India, should, by the operation of rule 8 of those rules, be rendered fit for such practice.

Letter No. 10 *dated* 3*rd January* 1934 *from Chamber to Government of India.*

I am directed by the Committee of this Chamber to acknowledge the receipt of your letter No. 2 (34)/T. E. (R.A.) dated 28th November 1933, in regard to the above matter, and in reply to observe as follows :

My Committee have noted with regret the reply of Government to their request for reconsideration of the various applications made to the All India Accountancy Board under rule 8 of the Auditors Certificates Rules, 1932, They understand that out of about 50 applications, all were rejected, except two, and this decision of the Board was subsequently endorsed by Government, as per letter under reply. My Committee would like to draw the attention of Government in this connection to applications from people like Mr. Maneklal A. Mehta of Bombay, Mr. S. P. S. Aiyar of Rangoon and Mr. M. B. Dalal of Karachi, who hold responsible positions in the profession for a number of years,

They wonder whether it could be said that applications such as these were "very carefully considered" by the Accountancy Board.

My Committee feel that the decision taken by the Board and subsequently endorsed by Government can hardly be justified as it appears to have ignored the claims of deserving persons. My Committee would, therefore, again urge the Government of India to be pleased to reconsider the various applications, particularly in view of the fact that rule 8 would expire on 31st March 1934, and deserving people ought to have the benefit of the rule, which was specially inserted for the purpose.

APPENDIX 91.

Rule 2 of the Restricted Auditor's Certificate Rules.

Letter No. 2680 *dated* 21*st October* 1933 *from Chamber to Government of India, Commerce Department.*

I am directed by the Committee of this Chamber to address Government in regard to Rule 2 of the Restricted Auditor's Certificates Rules, 1932.

This rule lays down that in the month of April every year holders of restricted auditor's certificates intending to continue to practice as auditors shall send a report to the effect to the Government of India. My Committee understand that members of the profession, holding such certificates, strongly resent the condition regarding such a reporting. It is observed that such a condition is humiliating to members of the profession who are holding responsible positions and have been practising as auditors for quite a number of years. My Committee fail to see any point in such a condition, which without serving any useful purpose tends to break resentment among members of the profession. They would, therefore, request the Government of India to be pleased to withdraw the condition and thus remove the cause of avoidable resentment among members of the profession.

Letter No. 6 (4)—T & E (R. A.) dated 3rd November from the Government of India to Chamber.

"With reference to your letter No. 2650 dated the 21st October 1933, I am directed to say that clause 2 of rule 2 of Restricted Certificates Rules, 1932, was framed with a view to enabling the Governor General in Council to maintain a Register of holders of restricted certificates in practice and to remove therefrom the names of non-practising members. The question of publication of this Register is already under consideration of the Government of India who consider that such a publication is likely to be helpful to the general public as well as to the Registrars of Joint Stock Companies who have at present no means of knowing which of the holders of such certificates continue to act as auditors. It does not appear to the Government of India that the requirement of rules 2 (2) is in any way humiliating. They are not aware that objection to the rule has at any time been raised and they are convinced that it is a reasonable requirement in the interests of the public as well as of the accountancy profession itself. In the circumstances the Government of India believe that the report required to be furnished is necessary to enable the Governor General in Council to know the number of qualified accountants available in different parts of India to audit the accounts of Joint Stock Companies."

Letter No. 3166 dated 21st December 1933 from the Chamber to Government of India.

I am directed by the Committee of this Chamber to acknowledge receipt of your letter No. 6 (4)-T.E. (R.A.) dated 3rd November 1933 on the above subject and in reply to observe as under :

My Committee, after carefully considering your letter, fail to see any justification for the continuance of this clause (2) of Rule 2, because persons who are enrolled under the rules have taken "permanent restricted Auditors Certificates. It, therefore, goes without saying that such persons have every intention to continue to practice as Auditors. Under the circumstances there is no point in requiring such persons to intimate to Government in the month of April every year that they intend

to practise as Auditors. Such a procedure was never heard of in regard to any other profession like Law, Medicine, Engineering etc. My Committee, therefore, would again urge Government to be pleased to delete this clause and thus remove the cause of avoidable annoyance among holders of Restricted Auditors Certificates.

Letter No. 6 (4)—*T. &E* (*R. A.*) *dated* 22*nd January* 1934 *from Government of India to Chamber.*

"With reference to your letter No. 3166 dated the 21st December 1933, I am directed to say that the Government of India have nothing to add to their letter No. 6 (4)-T & E (R.A.) dated the 3rd November 1933.

APPENDIX 92.

Transfer of the Civil Administration of Aden.

Letter No. 9510-*B dated* 25*th July* 1933 *from Government of Bombay, Political and Reform department, to Chamber.*

I am directed by the Governor in Council to refer to the Government of India Communique on the subject noted above, which was issued on the 20th June 1933 (copy enclosed), and to invite attention particularly to the portion of the communique which says that "full opportunity will be given for discussion in Indian Legislative Chambers at their next session and for all interests concerned to state their views'. I am accordingly to request that you will be so good as to move your Chamber to submit their views to Government on the proposal at an early date for communication to the Government of India.

PRESS COMMUNIQUE.

His Majesty's Government have recently received representations from different communities among the inhabitants of Aden as well as from certain quarters in India expressing their

various views in regard to transfer of the administration of Aden from the control of the Government of India to His Majesty's Government. The matter is one which is now receiving the consideration of His Majesty's Government and of the Government of India in connection with impending constitutional changes. Full opportunity will be given for discussion in the Indian Legislative Chambers at their next session and for all interests concerned to state their views. Meanwhile, His Majesty's Government think that it would be convenient that the considerations which suggest the desirability of a transfer of the administration and the conditions that would be entailed by such a transfer should be made known, so that the problem can be discussed with full knowledge of the facts. The reasons which suggest that Aden should not remain linked with India under the new constitution are that it is an area geographically remote from India ; that it would not naturally fit into the new federation ; that it is already to some extent under Imperial control and that it is inseparable in practice from the Aden Protectorate, which has already passed wholly out of Indian control. If it should be decided that the administration of Aden should be separated from that of India, His Majesty's Government contemplate that the following conditions would be established :—

(1) India would be relieved of the annual contribution of approximately £ 1,50,000 sterling or rupees twenty lakhs at present payable towards the military and Political administration.

(2) The right of appeal in judicial cases to the Bombay High Court would be maintained.

(3) His Majesty's Government would maintain the existing policy of making Aden a free port unless some radical change in the present economic situation should take place. From their own point of view abandonment of this policy would clearly, in existing economic conditions, be financially unsound since the prosperity of Aden depends largely upon its transit trade.

(4) His Majesty's Government would do their utmost to maintain the present standard of administration.

and would not impose any additional taxation unless such a course became in their opinion absolutely necessary.

(5) A proportion of Indian Service Administrative personnel would be retained in the Aden Service for some years after the transfer took place.

(6) No racial legislation or segregation would be permitted by His Majesty's Government.

Letter No. 2219 *dated* 17*th August* 1933. *from Chamber to the Government of Bombay.*

I am directed to acknowledge the receipt of your letter No. 9510-13, dated the 25th July, 1933, inviting the views of this Chamber on the Press-Communique issued by the Government of India on 20th June 1933 on the subject noted above.

The controversy regarding this question is very old. It dates as far back as 1861, and it is really regrettable that even in the year of Grace, 1933, the matter should be one in which there is still a definite cleavage of opinion between Government and the public. It is not necessary here to recount step by step the various phases of this controversy, but one cannot help wondering at the persistent efforts of Government to attempt from time to time to spring surprises on the public by making proposals with slight variations but all designed to divorce the administration of Aden from that of India. At one time, it was a proposal to transfer the control to the Colonial Office. After some time the proposal was to transfer it from the Bombay Provincial Government to the Central Government. And, always Government had before them unmistakable evidence of the opposition of the Indian public in general, and the Aden public in particular, to any such move. Their views are already before Government, and at least as far as the public are concerned, there has not been any fresh development justifying any change in those views.

My Committee will now refer to the last link in the chain of this transfer controversy. In 1931, public attention was centred on the proposal for the transfer of the civil administration from the Government of Bombay to the Government of India

In connection with that, a deputation, representing this Chamber and the sister Associations in the Presidency and the City, waited upon His Excellency the Viceroy to urge upon him the desirability of maintaining the *status quo*. During the course of the Memorial, to which my Committee would invite attention, then submitted to His Excellency by the deputation, they did not disguise their fear, that all the talk of transfer of administration from Bombay to the Central Government was but a prelude to the larger move of ultimately handing over the whole administration to the Imperial Government. Their fear unfortunately appears to have been justified by recent events and the present reference. The public case has been very succinctly and on successive occasions placed before Government, and it can be readily seen that in this question the public views have been almost unanimous. My Committee do not wish to recapitulate here the various grounds which have already been urged before Government against any such change.

My Committee will, therefore, in this representation confine themselves to an examination of the new reasons advanced by Government in favour of separation :

(1) 'The area is geographically remote from India.'

My Committee cannot accept this to be a serious impediment against the continuance of the link with India. In any case, geographically Aden is more remote from Great Britain and the Colonial Office, and if geographical remoteness is not going to present serious difficulties in administration, from a place more than 5,000 miles away, it certainly does not stand to reason that the same geographical remoteness should be brought in to justify the change. Again, the connotation, 'geographical,' if widely interpreted, means much more than territorial proximity. It means the culture, the traditions and habits of the people, their social interests, outlook on life, etc. And it cannot be denied that in all these matters, there is more in common between India and Aden than between Great Britain and Aden. My Committee, therefore, submit that the argument of 'geographical remoteness' is more against the change than in its favour.

(2) That it would not naturally fit into the new Federation.

"My Committee wish that Government had explained this point at greater length. The complete picture of the Federation is not yet before them, but all the same they can point out the inconsistency of Government, in asserting that Aden will not fit into the new constitution, by referring to the fact, that even incongruous units are sought to be fitted into the Federation. For example, Indian States, in which the system of Governments prevailing is, more or less, autocratic, are supposed to be fit enough to federate with autonomous provinces, even with enough provisos to ensure the continuance of autocracy within the federating State unit. With such an elastic framework of a Federation, my Committee cannot readily accept the assertion of Government, that Aden will not fit into the new constitution.

(3) As regards the existence of Imperial control and its affinity to Aden Protectorate, it has been so for some time now, and the civil administration has not in the past for that reason presented serious difficulties. As regards the future, my Committee may point out that the federating Indian States are supposed, under the future Federal Government, to maintain certain of their direct connections with the Crown, and they cannot concede that some such arrangements about the existing Imperial control may not be made. As regards the affinity to the Aden protectorate, they wish to point out to the existence of foreign territories in the country, like Pondicherry, Goa, etc. and their geographical affinity to the British Indian territories has not been found to present insuperable administrative difficulties. Nor has the contiguity of Frontier tribes and foreign countries on the Frontier presented any insuperable difficulties.

In conclusion, my Committee would reiterate the objections against the transfer, which have been stressed to Government *ad nauseum* from various quarters. Aden has been built up mainly by Indian money and Indian enterprise, and what Government have chosen to call in the past as "sentiment" is really considered by the public in terms of their legitimate rights, and it is earnestly hoped that Government will not attempt to disregard them, but would, in this case, at least, accede to the unanimous wishes of all the interests concerned.

As regards the financial saving of about 20 lakhs of rupee annually which is thrown out as a bait, my Committee think that this country would gladly continue to suffer this in future, as it has done so many years in the past, for the privilege of having at least one bit of territory outside its borders over which it can claim some control. In any case, those who want to deprive India of it should offer to pay practically the whole cost which India has incurred over Aden so far. His Majesty's Government, it is stated, proposed to maintain Aden as a free port unless some radical change in the present economic situation should take place. In the present state of economic uncertainty all over the world radical changes cannot be regarded as unlikely. The same would apply to the assurance, that His Majesty's Government would do their utmost not to impose additional taxation unless in their opinion it became absolutely necessary. In any case, after some years following the transfer Indian Service personnel would lose all posts in Aden, thus closing an avenue of employment.

My Committee are constrained to say that so much have the hopes and expectations of the Indian public with regard to the transfer of Aden suffered at the hands of Government that the assurances offered do not carry strong conviction.

My Committee have not here attempted a more detailed examination of the various conditions governing the transfer. As *prima facie* they are opposed *in toto* to the transfer, they do not even by implication reconcile themselves to the inevitable by criticising the terms or by arguing for more liberal conditions.

Telegram dated 25th May 1933 from Chamber to the Private Secretary to H. E. the Viceroy.

"Committee Indian Merchant's Chamber have read with apprehensions Simla messages dated 12th and 13th instant regarding future Aden Administration. They would invite His Excellency's attention in this connection to assurances given by the Foreign Secretary and emphatically endorsed by him in reply to Deputation headed by Sir Chunilal Mehta on 30th November 1931 that the proposal then contemplated was not step towards any other change and if the transfer question should arise in

future Government of India bound by past assurances would give full opportunity for discussion and that all interests concerned would be consulted. Committee are great alarmed at reported contemplated transfer and respectfully urge that they be given fullest information on the proposals made and all interests concerned be consulted as undertaken by Government and His Excellency while the proposals are being considered and before any decision is arrived at.

APPENDIX 93.

Closing of the St. George Hospital.

Letter No. 1759 dated 26th June 1933 from Chamber to Government of Bombay.

The Committee of this Chamber regret that Government, while inviting opinions of the Bombay Millowners' Association and the Bombay Chamber of Commerce, have not invited their opinion on the Recommendations of the Re-Organisation Committee (Thomas) regarding the closing of the St. George's Hospital. They, however, hope that Government will be pleased in future, as in the past, to invite their views on references on which views of other commercial Associations are invited.

My Committee have now taken the opportunity of considering the recommendation of the Re-organisation Committee (Thomas), suggesting the closing of the St. George's Hospital. They have perused, in this connection, the Debate in the Bombay Legislative Council, when this matter formed the subject for discussion and when the proposal under reference was strongly supported by a considerable section of the Council. They are also in full agreement with the recommendation of the Thomas Committee. In the first-place, there could be no justification for conducting a separate Hospital, like the St. George's Hospital, for Europeans in the City at the cost of the taxpayers of the Presidency, when there are several Hospitals offering quite a suitable

and uptodate treatment and accommodation. Secondly, it is well-known that the full accommodation at the disposal of the Hospital is hardly availed of.

Under the circumstances, my Committee would request Government to give effect to the recommendation of the Thomas Committee by closing down the St. George's Hospital and sell off the land and buildings. This would result in a substantial saving to the coffers of Government which ought to be welcome in their present financial condition.

APPENDIX 94.

Committees of inspection for Central and district prisons in the Presidency.

Letter No. 1703 *dated* 16*th June from Chamber to Governement of Bombay, Home Department.*

The Committee of this Chamber have carefully considered the representation made by the Buyers and Shippers Chamber, Karachi, in regard to the personnel of Jail Committees for inspection of District and Central Prisons in the Presidency. The Buyers and Shippers Chamber has placed before Government good reasons for the overhauling of the system of appointing members to the Jail Committees. My Committee are in full agreement with the request of that Chamber that Government should introduce the principle of election by asking the District Local Boards, Municipalities, Social Service Institutions, Commercial Association and other public bodies in the Presidency to send their representatives to these Jail Committees.

There have been complaints regarding jail administration and there is a great scope for improvement. My Committee believe that Jail Committees can do much towards the improvement of the jail administration, if properly constituted. They think it unnecessary to emphasise the necessity for introducing

the principle of election, as Government are well aware that in the various advanced countries of the world this principle has long since been introduced.

My Committee, therefore, trust that Government will be pleased to introduce this reform, which is overdue, and bring the Jail Administrations in the Presidency into line with those in other civilised countries.

APPENDIX 95.

The Whipping Bill.

Letter No. 559 *dated* 16*th February* 1933 *from Chamber to Government of Bombay, Home Department.*

The attention of the Committee of this Chamber has been drawn to the Bill of 1933 to amend the Law relating to whipping in the Presidency of Bombay.

While the Committee of this Chamber deplore communal riots in the city, they do not at all approve of the principle embodied in the Bill, viz., that whipping should be resorted to as a punishment. Whipping is a relic of barbarism and is degenerating and dehumanising in its nature. My Committee are, therefore, opposed to any Bill being placed on the Statute Book, recognising whipping as an authorised form of punishment even in such extreme cases.

The word 'rioting,' as defined in sections 146 and 148 of the Indian Penal Code, covers every form of gathering and meeting. Not only this, but even while an actual rioting is taking place it is very difficult to determine which people are involved in the actual rioting itself, and which people were mere spectators or even were involved in the fray through no will of their own or even through idle curiosity. The danger is, therefore, that innocent people may be hauled up as riotors and sentenced to whipping.

The powers enjoyed by the Police under the Ordinance Law are abnormal and excessive and extremely objectionable. Any increase in the powers of the Police, my Committee apprehend, will only mean an increased corruption. Such powers of the Police would be dangerous even in a constitutional country, but would be more so in a country, where constitutional Government has not yet advanced to any appreciable extent.

Under these circumstances, my Committee are opposed to the Whipping Bill, and recommend to Government to withdraw it.

APPENDIX 96.

Employment of two Counsel for Cases in the Bombay High Court.

Copy of letter No. 1113 *dated the* 14*th December,* 1932, *from the Prothonotary and Senior Master, Bombay High Court to the Indian Merchants Chamber.*

"I am directed by the Honourable the Chief Justice and Judges to state that there is an impression widely prevalent in the minds of the public that the employment of two Counsel is obligatory in all cases filed in the Bombay High Court. It is very desirable that this wrong impression should be removed as this High Court does not insist on the compulsory engagement of two Counsel in *all* cases, or indeed in any case, though in heavy cases two Counsel may be desirable.

In this connection, I am to forward herewith for your guidance a copy of my letter No. 987 dated the 4th November, 1932, addressed to the Secretary to the Government of Bombay, Legal Department, setting out the correct practice in this regard and to request that you will be so good as to circularise the same amongst the members of your Chamber, so that they may know that there is nothing in the High Court Rules which requires a litigant to employ two Counsel."

Copy of letter No. 987 dated 4th November, 1932, from the Prothonotary and Senior Master, Bombay High Court, to the Secretary to the Government of Bombay :—

"With reference to your letter No. 434-P dated the 18th October 1932, addressed to the Registrar, High Court, Appellate Side, Bombay, forwarding a copy of a resolution moved by Rao Bahadur Bole in the last session of the Legislative Council and requesting to inform Government whether it is obligatory by reason of a rule or of long-standing custom or practice for those who appear as litigants in the High Court to employ two Counsel on each side in every case, I am directed by the Honourable the Chief Justice and Judges to state that their Lordships assume that the resolution of Rao Bahadur Bole refers to the practice of engaging two Counsel on the Original Side and that the impression among the Members that the engagement of two Counsel is obligatory on each side in every case is altogether erroneous. Under Rule 533 (ii) (h) at page 117 of the Rules and Forms of the Bombay High Court, Original Side 1930, engagement of two Counsel was, up to 7th September 1932 allowed on taxation between party and party only in those suits which were heard and disposed of as Long Causes, the subject matter of which exceeded Rs. 5,000/- That rule has since been amended by increasing the amount of the subject matter of such suits from Rs. 5001 to Rs. 10,001. There has never been a rule of the High Court that two Counsel *must* be employed in every case, but the Bombay Bar Association has a rule under which no member of the Bar is to accept a single brief in any matter in which two Counsel are allowed on taxation. While in all other Long Causes where the sum claimed is below Rs. 10,001, in all Short Causes irrespective of the amount of the claim, and in some suits and matters, a detailed description of which is set out in the said Rule 533 the costs of one Counsel only are allowed on taxation between party and party. A copy of Rule 533 is hereto annexed for ready reference. I am to add that no custom or practice exists of allowing the engagement of two Counsel in every case as stated in your letter under reply.

As regards the practice obtaining on the Appellate Side, I am to refer you to Rule 98 of the Appellate Side Rules, 1929, which allows the parties fees of two Advocates in certain cases only."

RULES AND FORMS OF THE BOMBAY HIGH COURT.
ORIGINAL SIDE, 1930.

Costs of Counsel in different Cases between party and party.

Rule 533. (i) In long causes where there are several parties but all are not real contestants, the Chamber Judge on a summons taken out any party after pleadings are closed may direct which parties may instruct two counsel for the purpose of party and party taxation. No party in whose favour such directions have not been given shall be allowed the costs of the second counsel between party and party unless the Judge at the trial shall so direct.

(ii) The costs of one counsel only shall be allowed on taxation between party and party in the following cases :—

(*a*) Short causes and appeals from the decision of a Judge in any matter where only one counsel is allowed, unless the Appellate Court certify that a second counsel was necessary.

(*b*) Long causes set down as undefended.

(*c*) Long causes, in which the opposite party does not enter an appearance and in which an ex-parte decree is obtained.

(*d*) Appearances for any formal party to a suit, e.g. a trustee or a stakeholder who only appears to submit to the order of the Court and to ask for his costs.

(*e*) Matrimonial suits.

(*f*) Hearings on further directions and costs when there is no contest.

(*g*) On hearing to vary the Commissioner's report, unless the Court certify that two counsel ought to be allowed on account of the special difficulty or importance of any particular case.

(*h*) In any Long cause where the sum claimed is below Rs. 10,001 (as per slip No. 46) or where the claim in dispute is in respect of or relates to immoveable

or movable property of a lower value than Rs. 10,001 (as per slip No. 46), unless the Judge at the trial or the Sitting Judge in Chambers before the trial sanctions on special grounds the employment of more than one counsel by the party whose costs are under taxation as aforesaid.

(*i*) In suits transferred from the Presidency Court of Small Causes for trial in the High Court under the provisions of Act I of 1895.

APPENDIX 97.

Visa fees on passports to Iraq and certain Small States.

Letter No. 2133 *dated* 9*th August* (*No.* 2306 *dated* 1*st September*) 1933 *from Chamber to Government of India, Foreign department, through the Government of Bombay, Political and Reforms department.*

The attention of the Committee of this Chamber has been drawn to a representation to the Government of India by the Buyers and Shippers Chamber, Karachi, regarding the levy of visa-fees on passports of persons proceeding to Iraq, Quwait, Muscat, Gwador, Bahrein and Trucial Oman. My Committee understand that, except in case of visa fees for Iraq, the Passport Authorities in India are acting on behalf of His Majesty's Foreign Office regarding collection of the visa fees on passports to the above States. They entirely agree with the Buyers and Shippers Chamber that the levy of a visa fee of Rs. 7/- is prejudicial to trade and passenger traffic with these places, which are very near to India. Government are no doubt aware that merchants from this country frequently visit these places for business purposes. Over and above this, the labouring class from the Makraon coast and other places are coming down to India to earn their livelihood and return to those places very frequently, and a levy of visa fee of Rs. 7/- per head, it is

needless to point out, is a heavy impost on such persons. My Committee further understand that formerly there were no such visa fees levied, and their introduction now in these hard times has proved a great burden to the mercantile community and the labouring classes referred to above. They, therefore, fully endorse the request of the Buyers and Shippers Chamber to Government to approach the British Foreion-Office in this regard and to impress upon them the urgent necessity of abolishing the levy under reference which will be to the mutual advantage of India and the States concerned.

APPENDIX 98.

Recommendations of the Drugs Enquiry Committee.

Letter No. 87 (1) *B/ of 8th May* 1933 *from the Surgeon General with the Government of Bombay to Chamber.*

Under instructions from the Government of Bombay, I have the honour to forward herewith a copy (not reproduced). of the recommendations of the drugs Enquiry Committee and to request that you will be so good as to furnish me, at an early date, with the opinion of your Chamber on such of the major issues as concern the body under the following heads.

(1) Should central legislation be undertaken to control drugs and pharmacy on the general, lines suggested ?

(2) Are central and provincial laboratories a necessary adjunt of the legislation proposed ?

(3) Should a system of registration of pharmacists, with the qualifications proposed, be instituted ?

(4) Should the administration of such a system be in the hands of central and provincial pharmaceutical councils ?

(5) Should a system of registration of Indian and imported patent and proprietary medicines be instituted ?

(6) Should it be accepted as an ultimate aim of Government that the indigenous drugs should be brought under control ?

(7) Can the University undertake to institute a course and Degree in pharmaceutical chemistry ?

(8) Should steps be taken officially to compile an Indian pharmacopoeia?

2. The views of the body on any of the detailed recommendations on which they desire to express an opinion may also be kindly furnished.

Letter No. 1865 *dated 7th July* 1933, *from Chamber to the Surgeon-General.*

With reference to your letter No. 87 (1) B, dated 8th May 1933, I am directed by the Committee of this Chamber to send to you hereby their views.

My Committee have carefully considered the eight major recommendations of the Drugs Enquiry Committee contained therein, suggesting that Central legislation should be undertaken to control drugs and pharmacies, and for the establishment of Central and Provincial Laboratories registration of pharmacies, etc. They are in full agreement with these recommendations, and are of opinion that steps should be taken forthwith to initiate legislation as suggested.

In this connection, my Committee would like to observe that the proposed Central Laboratory should be located in Bombay, and its establishment should be small and not on the scale recommended by the Drug Enquiry Committee. The Laboratory should be in charge of qualified Indians.

With regard to the recommendation regarding institution of an Advisory Board, my Committee submit that this Chamber, as representing the Indian Commercial community, should have a seat on that body, so that the Advisory Board might have the benefit of the views and experience of businessmen on questions of policy and administration.

APPENDIX 99.

Nomination of Employers' Delegate to the 18th International Labour Conference.

Government of India, Department of Industries and Labour, Press Communique dated 26th September 1933, *forwarded by the Labour office, Bombay, No.* 3506 *dated 9th October* 1933.

I have the honour to forward herewith for the information of your Chamber a copy of a press communique issued by the Government of India in the Department of Industries and Labour on the above subject.

2. I should like to draw your attention to para 3 of the communique and to point out that all suggestions should be communicated by you direct to the Secretary to the Govt. of India in the Department of Industries, New Delhi, and *not* to this office.

As at present arranged, the Eighteenth Session of the International Labour Conference will be held at Geneva during June 1934, when the following subjects will be on the agenda :—

I. Partial revision of the 1925 Convention concerning workmen's compensation for occupational diseases, with a view to the inclusion in this Convention of a further list of diseases (including silicosis) for which compensation is payable.

II. Employment of women on underground work in mines of all kinds.

III. Reduction of hours of work.

IV. Unemployment insurance and the various forms of relief for the unemployed.

V. Methods of providing rest and alternation of shifts in automatic sheet-glass works.

The first two subjects will come up for first discussion ; the others were discussed at the Seventeenth Session held in June 1933 and will be for final consideration.

2. The delegates representing each Member State at the Conference include two Government Delegates, one Employers' Delegate and one Workers' Delegate. Advisers can be appointed for each group according to necessity and circumstances. The duty of nominating the personnel of the entire Indian Delegation rests with the Government of India, who, under the terms of the Treaty of Versailles, have undertaken "to nominate non-Government Delegates and Advisers chosen in agreement with the industrial organisations, if such organisations exist, which are most representative of employers or workpeople as the case may be." An association will be regarded as representative of employers only if it includes among its functions that of dealing with the interests of employers as such (e.g. regulating conditions of employment.) The mere fact that the membership of an organisation maintained for other purposes (e.g. the protection and regulation of the commercial interests of its members) includes a number of industrial employers is not in itself sufficient to give that organization a claim to consideration in the present connection.

3. All suggestions relating to the nomination of non-Government Delegates and their Advisers should reach the Secretary to the Government of India in the Department of Industries and Labour as early as possible and, in any case, not later than the 31*st December* 1933.

4. Allowances (on a scale which can be ascertained by application to the Department of Industries and Labour) will be granted by Government to defray the expenses of the Delegates and any Advisers finally nominated.

Press Communique dated 6th December 1933

In a Press Communique dated the 26th September 1933 it was announced that the following subjects would be on the agenda on the Eighteenth Session of the International Labour Conference to be held at Geneva in 1934 :—

I. Partial revision of the 1925 Convention concerning workmen's compensation for occupational diseases, with

a view to the inclusion in this Convention of a further list of diseases (including silicosis) for which compensation is payable.

II. Employment of women on underground work in mines of all kinds.

III. Reduction of hours of work.

IV. Unemployment insurance and the various forms of relief for the unemployed.

V. Methods of providing rest and alternation of shifts in automatic sheet-glass works.

The Government of India have now received intimation that the agenda of the Conference will also include the following subjects :—

1. Maintenance of acquired rights and rights in course of acquisition under invalidity, old age and widows' and orphans' insurance on behalf of workers who transfer their residence from one country to another.

2. Partial revision of the Convention concerning employment of women during the night.

The 11th May 1934 has been fixed as the date for the opening of the Eighteenth Session of the Conference.

Letter No. 3152 *dated* 21*st December from Chamber to Government of India*

With reference to the Government of India Press Communique dated 26th September 1933, a copy of which was forwarded to me by the Labour Commissioner, Bombay, with his letter No. 3506 dated the 9th October 1933, I am directed by the Committee of this Chamber to inform you that they recommend the name of Raja Bahadur Govindlal Shivlal (Hari Building, Custom House Road, Fort, Bombay) for being nominated as Employers Delegate to the forthcoming 18th Session of the International Labour Conference. Raja Bahadur Govindlal is a large employer and a prominent industrialist.

APPENDIX 100.

Speeches at Quarterly General Meetings.

Speech of Seth Mathuradas Vissanji, Vice-President (in the Chair) at the First Quarterly General Meeting of the Chamber, held on Saturday, the 29th April, 1933 :

Gentlemen,

Usually it is the privilege of the President to place before the General Body of the Chamber reports of the work done by the Committee. As most of you may be aware, our President, Sir Manmohandas Ramji, is unfortunately keeping indifferent health for sometime past. Under such circumstances, it falls to my lot to place before you the report of the work done by your Committee during the first quarter of the Chamber's official year. Let us all hope that Sir Manmohandas will soon be restored to his normal health and be able to guide the destinies of the Chamber for the rest of the year.

I am sorry, Gentlemen, to inform you that our Secretary, Mr. Jayasukhlal Mehta, also has not been keeping well for sometime past. I understand, however, that he is better now, and it would not be long before we have him back at the Chamber fully restored to health.

THE WHITE PAPER.

The event of the most outstanding importance, during the quarter just ended, is the publication of the White Paper, embodying the proposals for Constitutional Reform in India. As you are all aware, the Federation of Indian Chambers of Commerce and Industry, at its last annual meeting held at Delhi, had given expression to the unanimous opinion of the Indian Commercial community on these proposals in a comprehensive Resolution passed on the subject. It calls attention to many breaches of solemn pledges given on behalf of His Majesty's Government in regard to the constitutional progress of India ; and declares emphatically that the White Paper proposals are definitely reactionary and retrograde and fall far short of even the very

modest aspirations of this country. The Extra-Ordinary General Meeting of this Chamber, specially called for the purpose last Saturday, has also passed a Resolution condemning the many highly objectionable features of the White Paper, particularly regarding the Financial Safeguards, Commercial Discrimination, Control of the Services from Whitehall ; wide, sweeping and overriding powers sought to be vested in the Governor-General and the Governors of the Provinces, etc. Gentlemen, in view of these weighty and well considered declarations, there is very little for me to add. The Indian Commercial community, I would take this opportunity to emphasise again, along with other sections of the Indian people, will not rest satisfied until and unless India gets a Constitution analogous to those obtaining in the other British Dominions, with full and effective transfer of powers to the Indian people, adequate to shape the financial and economic policy best suited to the real Indian interests.

THE CENTRAL BUDGET FOR 1933-34.

You will observe from the Report, placed in your hands, that your Committee, after carefully considering the National Budget for 1933-34, sent a representation to the Government of India, strongly criticising some of the most objectionable features contained therein. As you all know, our Military Budget still continues to be a heavy dead-weight on our Finances. The estimated appropriation of Rs. 46.20 crores for Military purposes, out of the total Budget of Rs. 124.5 crores, is out of all proportion to the needs and ability of a poor country like India to incur. I cannot understand the self-complacency with which the Hon'ble the Finance Member spoke about the Military Budget in his last Budget speech. The meagre measure of retrenchment shown to have been effected in the Budget for 1933-34 in the Military expenditure, falls far short of our legitimate demand. In view of the 42 per cent. fall in commodity prices alone, sinc September 1929, the retrenchment that the Finance Membere ought to have effected should be at least Rs. 5 crores.

CIVIL ADMINISTRATION—TOP HEAVY.

Gentlemen, it is a hardy annual to complain about the top-heavy Civil Administration of the country ; and yet it is

inevitable for me to make a passing reference to it, lest our silence on that head be misconstrued. The 10 per cent. cut effected recently in the salaries of Government servants has been restored by half, i.e. 5 per cent. Your Committee have strongly objected to this curtailment of a most meagre measure of overdue retrenchment. It is a fact that cannot be gainsaid that our Civil Administration is very expensive and beyond our resources. It is, therefore, high time that the basic scale of salaries and the innumerable allowances and concessions to Government servants, Central as well as Provincial, should be revised with a view to bringing the same down to suit the ability of the country. The Federation of Indian Chamber of Commerce and Industry has also protested against the restoration of 5 percent in the cut. And while economy and retrenchment in expenditure is thus ignored or circumvented, the interests of the tax-payer are neglected. Though the Finance Minister deems it a matter of right policy to restore partially the salary cut, he cannot see his way to remit any tax. Not even the sur-charges in postal, railway and all duties, nor the burden of the lowest rung of income-tax payers in India find any consideration for reduction or relief in the eyes of the Government of India, though they can find funds to restore the slight cut in the salaries of their over-paid officials. A Government, and a modern Government, that makes the interest of its servants, who are already unduly highly paid, its first concern, instead of those of the over-burdened tax-payers of the country, stands, in my opinion, self-condemned.

EXPORT OF GOLD.

No part of the Finance Member's Budget speech deserved greater condemnation than his laboured apologia for the continued exports of gold. India has been drained by now to the tune of Rs. 122 crores of gold. When every country in the world,—not excluding the richest and the one with the largest stores of gold, is trying to conserve and preserve its gold holding in view of the critical and chaotic conditions of the world currency systems the Government of India have not only suffered this heavy and continued drain of gold to take place, but are actually taking pride in their having, by their policies and measures, encouraged it! I know no more painful example of insult being added to

injury. I can cite no more convincing evidence of the harm done to the real interests of India by its Government, simply because it is not a National or Responsible Government. For, no Responsible Government would have dared so to trifle with the permanent interests of the country in such vital matters as the present Government have done in this case. The question of conserving the Gold Reserve of India is all the more important, when we think of all that hangs on the establishment and effective operation of the Reserve Bank, for which the Government of India have shown such a great solicitude. Despite this, however, the Finance Member not only views this continuous outflow of gold with placid equanimity, but tries even to make out that this drain is in the best interests of the country! The Indian Commercial community have repeatedly most emphatically demanded that export of gold must be stopped; but hitherto to no purpose. Further comment is needless.

THE RAILWAY BUDGET—1933-34.

Your Committee also considered the Railway Budget for the year 1933-34. They have reiterated their views regarding the necessity for stringent economy in the several departments of the Railways; the need for speedier Indianisation of the Railway Board and the superior Railway services; and substantial reduction in the personnel and expenditure on the top-heavy staff in the Railways. Gentlemen, you are all aware that we have sunk in our Railways a capital sum of about Rs. 800 to 900 crores. It is a matter of great concern, therefore, to the Indian tax-payer, that this huge capital investment should at present, instead of yielding a fair return, prove to be a non-paying asset of the country. The Railways of India have been, and are, managed on principles, their rates and fares framed and varies on lines, that cannot but render their profitable conduct, and beneficial effect on the general economy of the country a matter of chance. And now that the Railways are faced by an increasingly stiff Road competition, it is no wonder that the powers-that-be find this handsome asset of the Indian tax-payer a losing concern—simply because the Indian bureaucracy take little heed of the forces working under their very nose. It is high time, therefore, that Government laid down some well-considered policy not only

in regard to railway rates and freights, so as to encourage inland trade and to develop the indigenous industries, but also in co-ordination with new forms of transport that are vitally affecting the general economy and prosperity of the nation.

ROAD RAIL COMPETITION.

In this connection, I may add, Gentlemen, that at the beginning of this week a Conference was held at Simla of the authorities of Government, of the Railways and of the road interests, to discuss important questions regarding this competition. In view of these discussions going on at the moment, it would perhaps be out of place to express an opinion on the various questions involved. I would, therefore, content myself by just one observation. I trust that the authorities concerned will duly and fully consider all the factories involved, and adopt a policy whereby the interests of the Indian tax-payer as well as of Indian Industry and Commerce are properly safeguarded.

SAFEGUARDING OF INDUSTRIES ACT.

Gentlemen, as you are all aware, the existence of practically every conceivable indigenous industry, whether organised or otherwise, was being seriously threatened for sometime past, by competition from Japan, particularly due to her heavy depreciated currency. It is gratifying to note that the Government of India have at long last realised the seriousness of the situation and have got a measure passed, called the Safeguarding of Industries Act, to check the imports of various articles into India to the detriment of the indigenous producer. This measure was passed on 16th April, but one cannot understand the delay that is occurring in the necessary Executive action under the Act to put it into effect. Everyday that passes without such adequate action being taken, adds more and more to the woeful tale not only of the various indigenous industries but also adds considerably to the difficulties of business in general. Let us, therefore, hope that the Official machinery with which rest the effective remedies provided for under this Act, will move with sufficient promptitude to render the aid this Act is intended to render, and check effectively the dumping of various articles by competitors of Indian producers.

SUGAR INDUSTRY—DEVELOPMENT.

Gentlemen, you must have read in the papers the account of an interesting lecture delivered last week in this very Hall by Sir T. Vijiaraghavachariar, Vice-Chairman of the Imperial Council of Agricultural Research, on the Indian Sugar industry. Sir Vijiaraghavachariar gave a very lucid account of how the Indian sugar industry, under an adequate measure of protection, accorded in the year 1931, has made rapid progress. During the course of one year, he observed, 25 new sugar factories have been erected, and pointed out that for the Indian sugar industry to rise to its full legitimate stature there was need for about 200 factories more so as to supply the domestic market. I particularly refer to this matter, because the principle of "Discriminating Protection" adopted by the Government of India since a decade back, was so discriminating that it was found in practice hardly ever to protect. The case of the sugar industry is an unmistakable lesson to Government that nothing short of full and adequate measure of protection will have to be adopted if Indian industries are to be developed at all.

TRADE OF BOMBAY.

Having reviewed the domestic problems of India's trade and industry, you will, I trust, bear with me, if I offer some observations on a subject of the nearest importance to the mercantile community of Bombay. The trade of Bombay has been falling in recent years, even more than in proportion to the general fall in the foreign trade of the whole country. This is a phenomenon that cannot but cause the liveliest anxiety to all those interested in the trade of the City of Bombay and also in the general economic prosperity and well-being of the country at large. I will not detain you by any investigations into the causes and remedies of this portentous circumstances. But I cannot pass over this without taking note of the fact and observing that, to my mind, the situation is not without its relief. The Port of Bombay cannot perhaps be utterly exonerated from any blame as regards the decline of the trade of the Port, for the various facilities offered by the authorities of the Port of Bombay to an importer or an exporter are much too costly in comparison with

similar facilities offered at competing Ports. I do not desire that other Ports should not have their legitimate development, nor would I like entirely to see all competition with Bombay ended. Gentlemen, you are all aware that for the last several years the Port of Bombay is day by day getting costlier and costlier, and I think the Port Trust services at Bombay leave much to be desired from the point of view of economy. I do not desire to inflict on you the figures of various taxes and charges levied by the Bombay Port Trust on the trade, but would point out to the great increase in the Port Trust dues, to which sur-charges have been added in 1932 to the tune of 68.3 per cent. over the rates of 1920. We, as businessmen, can well imagine the devastating incidence on this heavy increase in Port Trust dues on the trade of the Port of Bombay. Take, for example, the cotton trade of Bombay, to show how the trade is being diverted to various other ports, like Karachi and Kathiawar ports. I understand that the total costs of sending cotton from Bombay to Ahmedabad, including Municipal Town Duty, Port Trust dues Railway freight, and handling and other incidental charges come to about Rs. 733/- per 100 bales; while those from Bhavnagar to Ahmedabad, for the same number of bales, come to Rs. 342/-, the difference of Rs. 391/- is very glaring. Such diversion has been occurring in various other commodities also, such as sugar, seeds, etc. We all know that various facilities are offered at Kathiawar ports. Merchants get there very easy and cheap godown facilities. Handling charges there, compared with those of Bombay, are very low. Over and above, they also get very favourable banking facilities, as also considerable concessions in railway freights. These naturally help merchants there not only to divert Bombay's trade to these ports, but they find it much more economical to export various commodities abroad thereform, than from Bombay Port. The morale of this woeful tale is that unless and until our Port Trust Administration, realising the seriousness of the situation, agrees to reduce its dues to such an extent as could be borne by the trade in Bombay, unless and until the Municipal Town Duty on cotton is substantially reduced, if not abolished, and unless and until the incidental charges, such as handling etc., are also brought down by the local trades concerned in fair comparison with those obtaining in other ports,

the position of the Port, which used to pride itself upon being one of the premier ports in the country, and, along with it, the trade of Bombay, will, I am afraid, not only not improve but will worsen in course of time. This is bound to adversely affect the general prosperity of the whole city and perhaps through it of the Presidency at large. I know that the Port of Bombay is obliged to frame the charges for its services at the rates at which they are framed and in the manner in which they are framed, because of the very heavy administrative capital charges imposed on it or incurred by it, but that is just the reason why the Port authorities would do well to overhaul its administrative machinery with a view definitely to see whether its services could not be rendered more cheaply than has been the case hitherto, and thereby restore the prosperity of Bombay and maintain at any rate her normal trade.

VIENNA CONGRESS OF THE INTERNATIONAL CHAMBER OF COMMERCE.

Let me now turn to matters of a still wider importance. By the end of the next month, there is going to be held at Vienna the Biennial Congress of the International Chamber of Commerce. A strong Delegation of Indian businessmen, headed by Seth Walchand Hirachand, is, I understand, going there to attend the session. In these days of acute trade depression and intensive trade barriers and handicap all over the world, the deliberations of the Congress may well hoped to be of great practical importance. Vital questions concerning monetary policies, exchange restrictions, trade barriers, tariffs, etc., figure on the Agenda. Let us hope they would be thrashed out, and concrete measures suggested, which are calculated to restore the normal flow of international trade. I feel confident that our Indian Delegation at that Congress will fully expound the many and serious difficulties under which our trade and industry have been labouring ; and that, as a result, relief will be afforded to the interests concerned.

WORLD ECONOMIC CONFERENCE.

Closely following the International Chamber Congress at Vienna, the World Economic Congress will be held in June next,

to consider the economic malaise of the world, and to concert such international measures and policies as would help to restore normal economic intercourse and revive the prosperity we are all waiting for. The Federation of Indian Chambers of Commerce and Industry, as the accredited mouth-piece of the Indian commercial community, has emphasised that India should be represented at the World Economic Conference only by Indians commanding the confidence of the Indian commercial community. India's state in this common distress of the world can be more easily imagined than described. That India's Currency and Exchange should be regulated in the interests of India; that India's public finance needs radical revision in principle and her foreign obligations need comprehensive review with a view to relief; and that India should have the fullest liberty to become self-sufficient as regards all articles required for the consumption of her people and to develop all her industries that can be developed under the conditions of India, hardly need repetition. On such matters, it is but fair, and it is the considered opinion of the Indian commercial community, that only Indians fully conversant with all the bearings of these intricate problems of world economy, and enjoy the confidence of their countrymen, usefully serve at the World Economic Conference in the best interests of the country, as well as of the world. The Government of India have, I regret to say, given no indications of their intentions in this regard; and the Indian people have such a sufficiently bitter experience in the past of the selection of the personnel for such delegations as to make them very nervous as to the manner in which India's place will be filled at this world gathering, if at all. I, therefore, venture to take this opportunity of repeating the considered opinion of the Indian public, and of the commercial community in particular, that unless the Indian delegation at the forthcoming Conference is selected in conformity with the principles I have just indicated, there can be no hope of India's just demands and legitimate interests being properly safeguarded.

UNEMPLOYMENT.

Before I conclude, I wish to refer to one important question, which, to my mind, has not yet received adequate attention from any authoritative quarter. I refer to the question of wides-

pread unemployment in our country, not only amongst the so-called working classes, but also amongst the middle classes. The International Labour Organisation has been carrying out elaborate enquiries regarding the prevalence of unemployment in various parts of the world. In India the figures for unemployment are not at all compiled and so we do not know the extent of this evil. In fact the absence of any official statistics creates a false impression abroad that there is hardly any unemployment in India. But we all know that in our country there is a seething mass, drawn from every section of the population, wage-earners, middle class, etc., which simply cannot find work. And even as regards those, who appear to find some employment on their ancestral fields, the return obtained by them, thanks to the heavy depression particularly affecting the Indian agricultural producer, is so meagre that their plight is indistinguishable from those of the utterly unemployed. The evil is widespread, intensive and progressive. The Labour Commission has scarcely touched even the fringe of this vast and intricate problem. A bold and vigorous economic policy, definitely designed to foster and encourage indigenous industry would, I venture to say, provide a remedy which the powers that be in this land have yet to try. But can any, save a National Government, attempt such a herculean task.

Speech of Sheth Mathuradas Vissanji, Vice-President (in the Chair) at the second Quarterly General Meeting of the Chamber held on Saturday, the 29th July, 1933 :

Gentlemen,

I have pleasure in presenting to you the report of the work done by your Committee during the quarter ended 30th June 1933. I should like to say a few words on some of the important questions affecting the Indian Commercial community in particular and the country in general.

RESERVE BANK.

You are all aware that at present the question of the establishment of a Reserve Bank in India is being considered by the Reserve Bank Committee at London. In the absence of any official communications regarding this important question, it is obviously difficult for us to ascertain what will be the exact

position of the proposed Reserve Bank in relation to the Imperial Bank of India and other commercial banks and also its constitution. It appears, however, from the Press reports from London that the Reserve Bank Committee is proceeding smoothly. It is reported that the capital of the Reserve Bank will be held by private shareholders, and considerable attention is being paid to the problems as to how to keep the Bank free from political influence exercised by sectional interests acquired through the control of voting power. It further transpires that regarding exchange obligations the Bill will be drawn up on the basis of the Rupee linked with Sterling at the existing ratio. It is observed that this is only a rough indication of some of the main questions which the Reserve Bank Committee has been considering. I need hardly recall here the fierce controversies that raged round the Reserve Bank Bill in 1927-28. It is well-known that there existed fundamental differences of opinion regarding the character and the composition of such a Bank. The fundamental point, however, with which the Indian commercial community and the country as a whole are concerned is whether the scheme of the Reserve Bank as foreshadowed in the London Press reports would serve the interests of India's Commerce and Industry in the best possible manner. The reported provision that exchange obligations of the Bank would be based on Sterling basis introduces a fresh factor in the position regarding the Reserve Bank. In view of the present disturbed positions of the various currencies of the world, including Sterling, and an amount of uncertainty hanging round the question of stabilisation of currencies, the proposal regarding exchange obligations of the Bank requires to be thoroughly examined in relation to its repercussions on not only our internal trade and industries but also in relation to our trade relations with the other parts of the world. We shall, therefore, be justified in sounding a note of warning at this juncture, that no commitments on behalf of India should be made without previously consulting the Indian commercial community by the authorities concerned, not only in this matter but also in regard to the whole scheme of the Reserve Bank.

STATUTORY RAILWAY BOARD.

Another question of equal importance on which the deliberations, it is reported have just ended in London, is the ques-

tion of establishment of a Statutory Railway Board for India. It is believed that the Committee, which considered that question, has advised that the Railway administration in the Federal scheme should be entrusted to a Statutory Authority, whose policy should be controlled by the Federal Government and the day-to-day administration would be managed by the Chief Commissioner assisted by the Financial Commissioner. This Committee had before them for basis of discussion, a proposal contained in the Government of India Despatch of the 20th September 1932, on the proposal for Constitutional Reforms, suggesting the early establishment of a Statutory Authority to administer the Railways independent of the Indian Legislature, which has since come to be called the Statutory Railway Board. It appears that in June 1931 the India Office entrusted the task of ascertaining the advantages and disadvantages to be expected from the establishment of such a Board as a feature in the proposed Federal Constitution, to Brig Gen. F. D. Hammond. He was asked to set out in a memorandum the practice in other countries, foreign and dominion, where there was a State railway system including both those which had a statutory authority and those which had not, and the advantages and disadvantages to be expected from the establishment of such Board as indicated by experience in other countries from the technical and not from the political point of view. The form of the new Board advocated by Gen. Hammond, is that of a Public Utility Corporation on the lines of the London Transport Corporation, or the Central Electricity Board, with a proportion of members elected by bodies representing Commerce, Industries, Banking, Agriculture and Manufacturers. If the rule of altogether excluding members of the Legislature is not adopted, Gen. Hammond considers it essential that a limit should be imposed on members so admitted. The proposed Board will have larger powers in matters of Finance, and will have full control over their own surplus funds. It is further suggested that the Board should have a large share in the choice of the Executive. With a Railway Board constituted on the lines indicated, the present Central Advisory Council and the Standing Finance Committee would be no longer needed, but the local Advisory Councils will remain.

It is very difficult to judge from these Press reports what are the exact decisions arrived at by the Railway Board Committee in London. The lines indicated above, however, give sufficient cause for anxiety to the Indian commercial community, inasmuch as the future Federal Legislature will have very limited, if at all any, material voice in and power over the determination of the Railway policy of the country. The Railway policy of the Government naturally has a tremendous effect on the trade and industries of the country. Time and again, the Indian commercial community have protested against the way in which the Railway policy of the country is being framed specially in regard to the question of freights and rates. At a time when the future of India's Railway policy and administration is on the point of being shaped permanently, due regard must be given to the ultimate effect on the industrial development of the country. In view of their past experience, the Indian commercial and industrial community may well be executed if they, at this juncture, entertain some apprehensions in regard to those matters. Any decision regarding the establishment of a Statutory Railway Board that may ultimately be taken will have to be judged solely from the abovementioned test, its effects on the development of India's industries; and if it fails to satisfy that test, such decisions will not be accepted to the Indian commercial and industrial community. Under the circumstances, it is necessary that more light should be thrown on this important question, which it has been reported to have been decided upon in London, and that the Indian commercial community will be given full opportunity to express their opinion on the same before any statutory action is taken in the matter.

JAPANESE COMPETITION.

One of the questions engrossing the attention at present both of the commercial and the general public of the country is the Japanese Competition. The effects of this have been felt not only by the cotton textile industry, but also with regard to a series of miscellaneous articles. Our cotton textile industry has suffered immensely, and with all the increased protection given to it, it is still doubtful whether it has passed the crisis. The Government of India have passed the Safeguarding of Industries

Act, and are watching developments and collecting statistics with a view to see how far steps are required under this Act to safeguard the interests of other industries against the competition from Japan. With regard to textiles, Japan has mostly taken the place originally occupied by Lancashire and has also been seriously encroaching on the field occupied by the Indian textile industry. It is interesting to note that Lancashire has been resenting even what little India has been able to do for her industries with increased protection, though there is a very strong preference shown for Lancashire as against non-British countries. Japan has been similarly wrathful against these protective duties, though she herself has long since been an offender in this regard and to a much larger extent than ourselves. There are talks of a Japanese delegation coming over to this country to discuss the situation, though in the meanwhile the Japanese manufacturers have declared boycott of Indian cotton. Upto this time the Government of India have not apparently invited, so far as I know, any members of the Indian commercial community to formulate their views with a view to discuss them with this Japanese delegation when it comes here. We earnestly hope that any discussions with this Japanese delegation will be conducted in cooperation with the accredited representatives of the Indian commercial community and not by Government members alone.

LANCASHIRE.

I have to sound a similar note of warning with regard to Lancashire. It appears that the President of the Bombay Millowners' Association has been to Lancashire sometimes and negotiations are said to be proceedings regarding some sort of adjustment between Indian textile manufacturers and Lancashire. We do not know what trust there is with regard to all such negotiations ; not what is the trend of discussions between Mr. Mody and the Lancashire people. I hope I shall not be misunderstood, if I indulge in any frank talk here, for the very simple reason that principles are of much more importance than personalities. It must be clearly understood that whatever talks may be going on between Mr. Mody and Lancashire people are between Mr. Mody *personally* and those interests, and the Indian commercial community or the general public of this country will not

be deemed to be committed to any decisions such as may be arrived between those parties. We have suffered several times in the past, notably so recently as at Ottawa,—when the so-called representatives of India bound India hand-and-foot to certain decisions, inflicting irreparable and incalculable loss on this country. If any negotiations have to be carried on with Lancashire, representatives of the Indian commercial community should be specially selected and that too by the community themselves. We are passing through a very delicate and critical juncture, and I hope that no inadvertent steps will be taken to commit the country to any line of action. The questions at issue between Lancashire and India pertain not only to the textile industry, but concern even the bigger and larger political issues, and any negotiations with only representatives of one section of our textile industry will not be deemed binding upon the Indian textile industry as a whole, and much less upon the country at large. It should not happen, as a result of all the protection we have recently got, that instead of Japan making her encroachments in the country Lancashire will do so. We want that India's industries should be fully developed on their own lines. We do not bang the door against any countries. In the larger trade which will grow up in this country, if her industries are properly and fully developed and if her constitutional progress is properly assured, outside countries will get their due share, but this should not be construed to mean that India should from henceforward be committed to a particular line of preferences without the commercial and industrial interests of the country and even the political leaders having been consulted.

POLITICAL SITUATION.

My review of the last quarter will not be considered complete without a reference to the political situation which, as you well know, has occupied the stage for the last three years. As a result of the determination of Mahatma Gandhi to go on a fast for 21 days, the Government of India very wisely released him unconditionally from the prison. While taking up his self-imposed penance, he asked that Civil Disobedience movement be suspended for a month and a half, which period was further extended upto 31st July. Taking advantage of the presence of

Mahatmaji and the suspension of the Civil Disobedience movement, a Conference was convened of the leading Congress men to consider the future policy of the Congress. Mr. Aney, the Acting Congress President, has now issued a statement from which it appears that mass Civil Disobedience will be withdrawn for the time being and that no-tax and no-rent campaign will also be put a stop to. We note this with interest and approval, as it apparently follows the general trend of public opinion. So far as newspaper reports went, it was made clear at the Poona Conference by provincial leaders that mass Civil Disobedience should now be withdrawn. This Chamber has never been in favour of Civil Disobedience movement, and we are glad that in accordance with the changing needs of the country the Congress authorities have withdrawn Civil Disobedience for the time being atleast. A new orientation of the Congress policy is necessary, and I hope that those who are at the helm, like Mahatmaji, will consider best as to how to serve the interests of the country by putting forward a programme of constructive work.

At the same time, it has profoundly pained us that His Excellency the Viceroy did not choose to give an interview to Mahatmaji. Mahatmaji's request was unconditional and he, as a lover of peace, wanted to find a way by which peace could be had. Government have no doubt got a definite policy regarding the Civil Disobedience movement, but, I am sure that, they are as earnest about the cessation of trouble in the country as anyone else. I should think that a fetish should not be made of any movement of policy. After all, all such movements and policies are merely means to an end,—the end being Peace, Well-being and Progress of the country. Now that the Congress have not made a fetish of the Civil Disobedience movement, let not Government make a fetish of the means adopted to suppress the movement. The refusal of His Excellency the Viceroy is an unfortunate blunder. He could not have found a more honourable, reliable and trustworthy man for discussing the present situation than Mahatmaji. Let us hope that even now it is not too late and that His Excellency will accord an interview to Mahatmaji, which may pave the way for the re-establishment of Peace in the land. I also hope that there will be no difficulty now in the way of releasing all political prisoners.

JOINT PARLIAMENTARY COMMITTEE.

While I am on this political issue, I must refer to the proceedings of the Joint Parliamentary Committee. Of course, they are considered to be confidential, but the Press is giving certain reports and from what we see it appears that efforts are being made in some quarters to whittle down the significance of the objective of all our political reforms, which is Dominion Status for India. Lord Irwin, the then Viceroy of India, who represented His Majesty the King, pronounced in no indefinite terms the goal of the India's political progress to be Dominion Status. In announcing the decision of the British Government to hold a Round Table Conference to decide India's political future, Lord Irwin, used the following words :

> "I am authorised on behalf of His Majesty's Government to state clearly that in their judgment it is implicit in the declaration of 1917 that the natural issue of India's constitutional progress, as these contemplated, is the attainment of Dominion Status."

Similarly, Mr. Ramsay Macdonald, the Premier of Great Britain, used the following words at the conclusion of his speech at the termination of the First Round Table Conference :—

> "Finally, I hope, and I trust, and I pray that by our labours together India will come to possess the only thing which she now lacks to give her the status of a Dominion amongst the British Commonwealth of Nations—what she now lacks for that—the responsibilities and the cases, the burdens and the difficulties, but the pride and the honour of responsible self-government."

Mr. Baldwin also spoke as follows in the House of Commons on the declaration of Lord Irwin :—

> "Could there be any doubt in any quarter of the House that the position of India with full responsible Government in the Empire, whatever form it may take, must be one of equality with the other States in the Empire ?'

Surely, these are pledges ; and England, which entered the World War to preserve the sanctity of the pledge given to Belgium, will not now endorse the idea that pledges are mere scraps of paper. If the Reforms are not meant for leading India to Dominion status, the whole of the Reforms scheme, as Sir Taj Bahadur Sapru observed, is useless.

Speech of Sheth Mathuradas Vissanji, Vice-President (in the Chair) at the Third Quarterly General Meeting of the Chamber, held on Saturday, the 28th October, 1933 *:*

Gentlemen,

I have pleasure in presenting to you the report of the work done by your Committee during the quarter ended 30th September 1933.

INDO-JAPANESE TRADE DISCUSSIONS.

I referred in my speech at the last Quarterly General Meeting to the negotiations, which were then expected to start as between Japanese, Lancashire and Indian cotton textile interests. These negotiations have since then started, and are now in full swing. It is very difficult, if not impossible, to judge as to what is going on, as a thick curtain shrouds the proceedings, and there are conflicting reports in the Press. It is true that the nature of proceedings is delicate and that necessarily such negotiations cannot be carried on in the broad daylight, and yet the stake of the commercial community and, I may say, of the general public is so great that they may be excused if they evince a little impatience at the mystery which has hitherto surrounded the Simla conclave. There are descriptions of feasts agalore, but one would like to have a peep behind these feats and to find out if there are any skeletons at these feasts, or whether the proverb is falsified that the course of true love is never smooth. Your Committee have been indirectly represented through the Federation of Indian Chambers of Commerce and Industry, but the constitution of the Conference is such that all these delegations are but in an advisory capacity. Your Committee have, however, issued a statement emphasising that the interests of Indian industries and agriculture must be safeguarded, and that, if any

settlement of any character is arrived at between the different delegations, now carrying on negotiations in India, the Government of India should give an opportunity to the people of India to express their views on the proposed terms and negotiations of such a settlement before such a settlement is ratified. We have also stressed that we are opposed to any fixation of the so-called quota, which will be detrimental to the interests of the country. The country has been developing its industries and has got a perfect right, as other countries have, of building up a tariff wall to safeguard these. Outside countries may send their products despite such duties if they can compete with indigenous manufacturers, but India cannot be expected to go out of her way and fix up quota for the trade of any country, be it great Britain or Japan. In fact, I find a strong feeling prevailing in the commercial community that fixing any such quota will ring the death-knell of our industries, and our representatives at the Simla-Delhi talks will be doing a great disservice if they give any countenance to the quota proposal.

In this connection, I cannot help referring to the service rendered by Mr. Walchand Hirachand, Leader of the Indian Delegation to the Congress of the International Chamber of Commerce at Vienna, when he got placed on record that India, because of her peculiar circumstances, could not agree with the Resolution, that lowering of tariff walls and removal of tariff restrictions must be resorted to more and more to bring about the solution of the present economic impasse. Countries which are now preaching this doctrine have fully developed their industries as a result of their tariff policy, and now want other countries economically backward to lag behind by adopting ascetic renunciation regarding tariffs. The Resolution at the Vienna Congress was forwarded to the World Economic Conference, London, with the reservation of India, and for this Mr. Walchand Hirachand and his colleagues must be congratulated.

RESERVE BANK BILL.

The Reserve Bank Bill, to which I referred in my last speech, was introduced in the Assembly at its last Session, and is now before the Joint Select Committee. Ideally it should have

been a State Bank, but from several practical considerations the Reserve Bank Committee (London) and many individuals and public institutions have now favoured the idea of a Shareholders' Bank. Even then several modifications are required to make the constitution acceptable. As the Bill stands at present, wide powers are given in the hands of the Viceroy without appadrentl any consultation with his Cabinet. No provision is malle for representation of Indian trade and commerce. Above all, the provisions which we apprehend to be not in the best interets of the country are those relating to the ratio. You all know the history of the linking of the Rupee to Sterling. Without the knowledge, much less the acceptance, of the people or even the Government of India, the Rupee was delinked with gold *pari passu* with the pound Sterling being delinked with gold, demonstrating, if any demonstration was required, that it was not the Indian interests which reigned supreme with the British Government, but British interests, in the laying down of important policies in this country. While it is true that the preamble to the Bill pays a lip homage to the principle of changing the ratio when the world factors have shown the necessity for it, the sections in the Bill provide for continuing the present 18d. sterling ratio. This again has to be read with the recent view expressed by the Secretary of State for India, that after the Bill has become law only the Parliament can introduce changes and amendments. All this means that, unless the people of India and the Indian Legislatures are quite alive to the dangers of the situation and present an united front, there is every possibility that an 18d. rupee linked to sterling may be a settled fact for a long time to come as it will be at the mercy of the Parliament.

CURRENCY LEAGUE OF INDIA.

It is with a view to combat this evil that the Currency League of India is started, and I hope that it will meet with a suitable response not only in this City but all over India. Its aims and objects are:

1. To encourage and provide facilities for the systematic and impartial study of the question relating to

currency, so that a Currency Policy best suited to the interests of the country may be evolved.

2. To educate and organise public opinion with a view to oppose the continuation of the 18d. sterling ratio as is sought to be done through the Reserve Bank Bill, and to bring about an immediate devaluation of the Rupee.

It is very significant that several eminent Indians and Englishmen, who supported the 18d. ratio in 1927, are now convinced of the harm wrought by it and have expressed their sympathy with the aims and objects of the League.

INTERNATIONAL SITUATION.

The last few years of International depression which has held the world in the dark grip of a dense fog have shown how the currency systems of different countries have played their part in this. Some of the best minds have tried to solve the world problem and they have felt that while there are other factors also currency must be tackled first. We in this country have felt how changes in the currency policy have been so manipulated, time after time, that the trade, agriculture and industries of the country have been hit hard. This sad story runs from 1882 and its last chapter has not yet been written. It is a story of the betrayal of the interests of the ward by the self-constituted 'Trustees.' The chapter which was written two years back, when the Rupee was linked to Sterling, and is being written now in the Reserve Bank Bill are but two more inglorious chapters added to those which have preceded. It is time that we stand up and say that the story must be finished now and that another story begun to be written—the story of India's prosperity. I recognise, however, that this will not be possible unless Britain chooses to do so or full financial swaraj is acquired by united action.

The International economic situation shows no signs of improvement, and the failure of the World Economic Conference showed that different countries even while suffering from the nadir of depression were not seriously and earnestly anxious for

co-operation in the economic field, even though such an economic co-operation might be the only means left to a harassed and suffering world to remove the fog of depression which has set as a pall upon us. Even though the Peace Treaty of Versailles taught the people of the world to think internationally, it could not lead them to act internationally, based as it was on nationalism of a narrow order and injustices and unfairnesses of the old world order. This inability to act internationally keads to the failure of so many international efforts for co-operation in solving the world problems. The failure which has met what is known as the Disarmament Conference belongs to this category. The situation which is created by the withdrawal of Germany from the Disarmament Conference and the League of Nations is of the gravest character and the chancellories of leading countries are probably busy as they were never during all the years which followed 1918. While the storm may still be distant and the rumbling of thunder still inaudible, there are storm clouds seen on the horizon. Every leading power protest as it protested in the fateful days which preceded 4th August 1914, that all its thoughts are for peace. We cannot be however reassured by these protestations, and there are manifest tremours of the earth betokening anxiety everywhere as to what is going to be the issue of the clash of national prejudices, lust for power and antipathies. There are clouds not only on the Western horizon, but also on the Eastern. While I do not want to be an alarmist, I would certainly advise the commercial people to be cautious in their dealings, so that if the storm has to come it may not catch them unawares and may not wrench away their anchors, casting their frail and helpless barks out in the open sea.

MAHATMA GANDHI.

If the history of the world is characterised by anything, it is by so many forces being allowed to waste themselves without being made use of for the betterment of the world. Natural forces are neglected, as we have for instance, neglected the immense water-power of this country. Human forces are neglected, and the world is known to stone its prophets. Is it not a tragedy that while the world hovers over the brink of a precipice, one man

who can save it is being neglected and a Government who can utilise his services for campaigning against internal terrorism do not do so, and employ themselves only in putting him in and out of prison on occasions, and some of his countrymen consider his presence in politics as detrimental to the political progress of the land? I refer to Mahatma Gandhi, the Prophet of Peace. Nineteen centuries back, the Jews and the Roman Government did not know what use to make of the young Carpenter and ultimately ended by crucifying him. The world is at present faced with a much graver crisis than it was then, viz. the very extinction of civilisation and all that we know as the moral fabric, and yet we are manifesting the same bankruptcy of statesmanship and moral faith. I cannot do better than quote a noble passage from the recent speech of the Dewan of Mysore who has recognised what a tremendous force Mahatmaji would be for peace not only national but international:—

> "And here I am tempted to say that there is one man above all others who can held us towards a reconciliation of our difficulties, and towards that new phase of character that is the ground-work of self-government. I am not one of those who wish Mahatma Gandhi to retire from politics. There never was a time when India so badly needed the guidance of a genuine leader, and in him we have one who holds a unique position in the country and is not only a convinced lover of peace and an ardent patriot, but also a far-seeing, sagacious statesman. I feel that he is qualified far better than any one else to reconcile the conflicting elements in the country and to induce them all to march together a further stage along the road that leads to self-government. He also has it in his power, as no one else has, to establish the happiest relations between India and Great Britain. I feel sure that the Government have in him a powerful ally and Great Britain a true friend. If he should retire from politics at this juncture, there are indications that the arena would, in all probability, be occupied by demagogues and vain visionaries out to mislead themselves and the country by meaningless shibboleths."

COMMERCIAL CRISIS IN BOMBAY.

I have spoken about international complications. There are complications, however, nearer home also, and the trade and industries of Bombay are faced with a big crisis. Bombay has passed through several such crisis recently. Perhaps the most analogical cases were the crisis of 1909 and 1913, when owing to the failure of a leading firm of mill-agents, followed by the failure of several banks, there was a tremendous convulsion and thousands of people were affected. The trouble this time has again started with some mills and some commercial firms. While efforts are being made still to tide over the crisis, it would not be deemed advisable to indulge in any comments with regard to the affairs. The public may, however, well be advised not to be carried away by rumours and false reports, but to preserve their robust commonsense and to judge each event, as it comes along, calmly and dispassionately. I had referred, in my speech at the First Quarterly General Meeting, to the dwindling revenues of the Municipality and the Port Trust. Bombay has been passing through a heavy period of depression since long. This was due to several factors, which have been several times analysed and criticised. If the crisis which has now arisen developes and assumes serious proportions, the trade of Bombay may be affected more, and public bodies, like the Municipality and the Port Trust may also have their revenues crippled. Partial paralysis of the mill industry may lead to industrial unemployment which itself will lead to reduction of the population of Bombay. This will also react on the revenues of these public bodies which may well proceed to make the necessary adjustments in their expenditure. Altogether it is a bad time for Bombay, and it behoves public men of Bombay to stand shoulder-to-shoulder determined to face the crisis with more constructive and positive steps than has been the case upto now. I am sorry to say it ; but Bombay has recently been lacking in that practical horse-sense which was always considered one of her gifts in the solution of many of her problems, and the results has been that Bombay has almost lost the pre-eminent place which she was occupying for so long in trade and industries and in other fields of public activity. Perhaps, the test of fire through which she is passing at present may

burn away much of the chaff in the shape of undesirable developments of recent times, and may conduce to bring back, those qualities of steadiness and sobriety for which she was once known.

LATE VITHALBHAI J. PATEL.

Before I conclude, I should like to refer to the sad death of Sjt. Vithalbhai H. Patel, ex-President of the Legislative Assembly. A fearless fighter all his life, he was a born leader of men, and India is decidedly poorer because of the death of this great son of hers. Through the critical times we are passing he would have been able to rendre a great service with his vast experience of political and constitutional questions and with his original political views.

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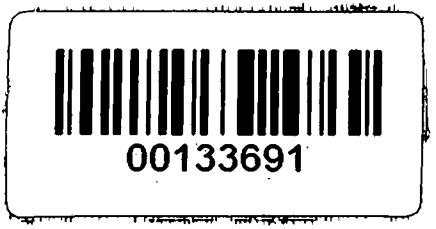
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